

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our historical financial information included in the Accountants’ Report set out in Appendix I to this Document, together with the accompanying notes. Our historical financial information has been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance and involve risks and uncertainties. These statements are based on assumptions and analysis made by us 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. In evaluating our business, you should carefully consider all of the information provided in this document, including “Risk Factors” and “Business.”

OVERVIEW

We are an artificial intelligence (“AI”) company focused on providing AI digital worker solution and enterprise-grade agent solution. Leveraging our self-developed AI solutions, we empower enterprises to accelerate their intelligent digital transformation. By integrating AI algorithms, large language models (“LLMs”) and robotic process automation (“RPA”) technologies with industry-specific scenarios, we enable AI digital workers and agents to handle a variety of different tasks, thereby reshaping organizational productivity through human-AI collaboration. This empowers employees to focus on higher-value work and unleashes their creativity.

We generate revenue by providing AI solutions. We have achieved steady growth during the Track Record Period and generated revenue of RMB216.7 million, RMB243.5 million, RMB256.1 million and RMB65.1 million, respectively, with gross profit amounted to RMB90.0 million, RMB129.9 million, RMB132.2 million and RMB33.3 million, respectively, and our gross profit margin was 41.5%, 53.4%, 51.6% and 51.1% for the same years/periods, respectively. We recorded loss for the year/period of RMB62.6 million, RMB122.2 million, RMB345.6 million and RMB109.1 million during the same years/periods, respectively.

BASIS OF PRESENTATION

For details, see note 1 to the Accountants’ Report in Appendix I to this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The results of operations of our Group have been and are expected to continue to be affected by a number of factors, including the key ones set out in the section headed “Risk Factors” in this document and below:

Development and Competition in China’s AI Industry

We operate in the rapidly growing AI industry. Our business, financial performance, and future growth are affected by the development of this industry, including the general factors affecting the global and China’s AI market, macroeconomic conditions, regulatory environment, as well as the market acceptance, adoption and demand of LLMs and related services. According to Frost & Sullivan, the enterprise-grade AI solutions market in China expanded from RMB14.3 billion in 2020 to RMB69.4 billion in 2025, representing a CAGR of 37.1% over the same period. Within China’s enterprise-grade AI solutions market, AI digital

FINANCIAL INFORMATION

worker solutions accounted for approximately 11.3% of the total market in 2025. According to Frost & Sullivan, we ranked first in China’s AI digital worker solutions market in China (which accounted for 11.2% of China’s enterprise-grade AI solutions market in 2025) in terms of revenue in 2025. Competition within the AI market significantly influences our financial performance. We believe that our competitive advantage is derived from the scope, performance and safety of our service offerings, user experience, our research and development (“**R&D**”) capabilities and our talent. However, intensified competition or an inability to sustain this advantage may adversely affect our operational performance. Please see “Risk Factors — Risks Relating to Our Research and Development of Our Solutions — Our success depends largely on our AI R&D capabilities and competitive technological capabilities to efficiently develop and innovate our solutions to meet customers’ evolving needs of functionality, performance, reliability, design and security.”

Investment in R&D

As an AI company focused on providing AI solutions, we are committed to enhancing the capabilities of the AI solutions in our comprehensive AI suite, innovating new ones, and improving and developing efficient and cost-effective AI services for ever more industry verticals and other use cases. To achieve this, we have prioritized in-house R&D of AI technologies. Technological leadership requires sustained investment in R&D. Our R&D expenses increased from RMB55.7 million in 2024 to RMB78.8 million in 2025.

Going forward, we will continue to prudently invest resources in R&D on our offerings. Given our systematic development approach and our continuous incorporation of functional improvements, we expect the investment to build our offerings in a scalable manner will support the long-term growth of our business. We believe the strategic R&D expenditures are pivotal to advancing our core AI and agent technology stack and enterprise-grade platform infrastructure. Through advances in our AI reasoning, RPA technologies, and industry knowledge bases, these initiatives aim to directly strengthen our AI solutions. We expect that these investments will catalyze innovation in human-AI collaboration and secure our sustained competitive advantage in the enterprise automation and intelligence marketplace. We also plan to continue to attract and retain top-tier R&D professionals, as well as specialists from a wide range of disciplines. Specifically, we plan to invest around 50% of our [REDACTED] from the [REDACTED] to strengthen our research and development capabilities and to build our agent platforms. For further details, please see “Future Plans and Use of [REDACTED].”

Expansion of Our Service Offering

During the Track Record Period, we generated revenue primarily through the provision of our AI solutions, which integrate LLM capabilities with our proprietary RPA technologies. These solutions were delivered through flexible deployment models designed to meet stringent enterprise requirements for security, stability, and compliance. Our steady revenue growth was driven by rapid market expansion and our continuous enhancement of AI reasoning capabilities, expansion of our industry-specific knowledge bases, and successful penetration into key industry verticals.

As our solutions gained greater recognition and our brand presence expanded, we were able to develop and deploy our solutions with stronger capabilities and additional functionalities for our customers. We believe that these continuous advancements in AI capabilities will allow us to address the complex needs of a broader range of customers across more industry verticals. Furthermore, we are committed to offering a versatile portfolio of solutions by integrating and fine-tuning a spectrum of LLM capabilities. This ensures compatibility with diverse work environments and operational requirements. Our approach

FINANCIAL INFORMATION

allows us to tailor solutions that align with specific computational constraints, effectively reducing hardware limitations for our clients. At the application level, we remain focused on delivering secure, stable, and user-friendly experiences that make LLM technology more accessible and practical for organizations of all sizes to integrate and leverage. Our future success largely depends on our capacity to further broaden our solution offering and continuously enhance our existing solutions.

Our Ability to Attract New Customers and Deepen Relationships with Existing Customers

Our growth depends on our ability to expand our customer base. We have formed industry-focused sales strategy, through which we penetrate, expand and maintain connections in targeted markets to serve our customers. We not only seek to work closely with industry leaders, but also to forge partnerships with entities that specialize in specific industry applications. By targeting influential and innovative leaders in the respective industry sector, we can co-develop and deliver benchmark cases to showcase the tangible benefits and capabilities of our services. We have participated in various branding and marketing activities to reach potential customers, including in-person and online events, content marketing, partner marketing, developer outreach, search engine optimization, social media and public relations, and we adjust our marketing strategies from time to time based on our management’s judgment.

Our Ability to Control Costs and Improve Sales and Marketing Efficiency

Our ability to manage and control our costs and operating expenses is critical to the success of our business and our profitability. However, our cost structure is affected by the mix of our solution offering and might further impact our gross profit margin. In addition, we have invested heavily in developing technology capabilities, in order to provide highly scalable and flexible solutions for our users. The solutions we offer are highly modularized, which allows us to address users’ demands effectively and efficiently, helping us achieve significant overall cost and operating efficiency. We also incurred an increasing amount of selling and distribution expenses to strategically expand our user base and enter into new verticals. As a result of our established user base and brand awareness, the efficiency of our sales and marketing personnel has also been increasing.

The Operating Results of Our Business May Fluctuate Due to Seasonality

Our results of operations are subject to seasonal fluctuations. We primarily serve enterprises and government entities, whose project funding is sourced from their digital transformation budgets. Typically, enterprises establish their annual budgets around the Chinese New Year, conduct solution evaluations and supplier selections during the first three quarters, and proceed with the project development and delivery primarily in the fourth quarter of the year. Consequently, our business exhibits notable seasonality, with a higher portion of revenue recognized in the fourth quarter of the year. According to Frost & Sullivan, such seasonal fluctuations are common in the industry.

General Factors Affecting the Industries in Which We Operate

Our business and operating results are also affected by general factors affecting the AI industry, which include (i) the overall economic conditions in markets where we operate; (ii) acceptance of and demand for AI solutions; and (iii) relevant laws and regulations, governmental policies and initiatives. Any changes in any of these general factors may have a material impact on our business operations and results of operations.

FINANCIAL INFORMATION

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Impairment Assessment for Non-financial Assets

During the Track Record Period, we performed impairment assessments of our non-financial assets in accordance with IAS 36 Impairment of Assets. In assessing whether any impairment indicators existed, our Directors considered various external and internal factors, including market demand for AI solutions, the continued and effective utilisation of our non-financial assets and the reasons for our operating losses, which were primarily attributable to our investments in research and development and share-based payment expenses. In 2023, we recognised an impairment loss of RMB3.19 million to write down the carrying amount of our right-of-use asset in respect of the leasehold land to its recoverable amount. Please refer to “Financial Information — Discussion of Certain Key Items of Our Consolidated Statements of Financial Position — Right-of-Use Assets” and Note 13 to the Accountants’ Report in Appendix I to this Document. Following such write-down and based on the Directors’ assessment, no further impairment in respect of the leasehold land was considered necessary. With respect to our other non-financial assets, our Directors considered that our operating losses were within expectations during our rapid growth stage and concluded that no impairment indicators existed. Accordingly, no impairment loss was recognised and no further impairment testing of such other non-financial assets was considered necessary.

For details of our critical accounting policies and estimates, see notes 2 and 3 to the Accountants’ Report in Appendix I to this document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Below sets forth our consolidated statements of profit or loss for the years indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
	<i>(unaudited)</i>									
Revenue	216,715	100.0	243,477	100.0	256,097	100.0	45,977	100.0	65,129	100.0
Cost of revenue	(126,697)	(58.5)	(113,571)	(46.6)	(123,908)	(48.4)	(22,114)	(48.1)	(31,832)	(48.9)
Gross profit	90,018	41.5	129,906	53.4	132,189	51.6	23,863	51.9	33,297	51.1
Other net income	13,918	6.4	22,231	9.1	14,906	5.8	8,474	18.4	7,888	12.1
Selling and distribution expenses	(63,050)	(29.1)	(68,134)	(28.0)	(74,444)	(29.1)	(29,208)	(63.5)	(59,955)	(92.1)
Administrative and other expenses	(36,537)	(16.9)	(29,716)	(12.2)	(54,214)	(21.2)	(12,031)	(26.2)	(24,096)	(37.0)
Research and development expenses	(55,380)	(25.6)	(55,730)	(22.9)	(78,773)	(30.8)	(31,607)	(68.7)	(42,527)	(65.3)
Impairment losses on financial assets and contract assets, net	(8,694)	(4.0)	(2,387)	(1.0)	(7,205)	(2.8)	73	0.2	(10,945)	(16.8)
Loss from operations	(59,725)	(27.6)	(3,830)	(1.6)	(67,541)	(26.4)	(40,436)	(87.9)	(96,338)	(147.9)
Finance costs	(318)	(0.1)	(214)	(0.1)	(485)	(0.2)	(76)	(0.2)	(141)	(0.2)
Fair value changes in financial assets	491	0.2	420	0.2	(567)	(0.2)	(688)	(1.5)	(169)	(0.3)
Changes in the carrying amount of redemption liabilities	(5,198)	(2.4)	(119,260)	(49.0)	(278,322)	(108.7)	(74,748)	(162.6)	(12,746)	(19.6)
Loss before taxation	(64,750)	(29.9)	(122,884)	(50.5)	(346,915)	(135.5)	(115,948)	(252.2)	(109,394)	(168.0)
Income tax	2,177	1.0	671	0.3	1,280	0.5	(896)	(1.9)	315	0.5
Loss for the year/period	(62,573)	(28.9)	(122,213)	(50.2)	(345,635)	(135.0)	(116,844)	(254.1)	(109,079)	(167.5)

FINANCIAL INFORMATION

NON-IFRS MEASURES

To supplement our consolidated financial statements that are presented in accordance with IFRS Accounting Standards, we also use adjusted net loss (non-IFRS measure), as an additional financial measure which is not required by or presented in accordance with IFRS Accounting Standards. We believe that this non-IFRS measure facilitates comparisons of operating performance from year to year by eliminating potential impact of certain items. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similar measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS Accounting Standards. We define adjusted net loss (non-IFRS measure) as loss for the year/period adjusted for adding back [REDACTED], share-based payment expenses, and changes in the carrying amount of redemption liabilities.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
							(unaudited)			
Loss for the										
year/period	(62,573)	(28.8)	(122,213)	(50.2)	(345,635)	(135.0)	(116,844)	(254.1)	(109,079)	(167.5)
Add:										
[REDACTED]	–	–	–	–	15,058	5.9	–	–	1,558	2.4
Share-based payment										
expenses	8,310	3.8	–	–	25,121	9.8	–	–	37,951	58.3
Changes in the										
carrying amount of										
redemption										
liabilities	5,198	2.4	119,260	49.0	278,322	108.7	74,748	162.6	12,746	19.6
Adjusted net loss for										
the year/period										
(non-IFRS										
measure)	<u>(49,065)</u>	<u>(22.6)</u>	<u>(2,953)</u>	<u>(1.2)</u>	<u>(27,134)</u>	<u>(10.6)</u>	<u>(42,096)</u>	<u>(91.5)</u>	<u>(56,824)</u>	<u>(87.2)</u>

Notes:

- (1) [REDACTED] represented professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED] and the [REDACTED]. The reconciling item is non-recurring and non-operating in nature and does not reflect our core operating performance.
- (2) Share-based payment expenses represented non-cash employee benefit expenses incurred in connection with share awards granted to our management and eligible employees for their contributions to our Group. The reconciling item is non-cash in nature, is not expected to result in future cash payments, and the adjustment has been consistently made during the Track Record Period.
- (3) We adjust changes in the carrying amount of redemption liabilities because they are non-cash, non-recurring and non-operating in nature. We recognised the shares with preferential rights issued to our Pre-[REDACTED] Investors as financial liabilities, with changes in the carrying amount being booked in profit or loss. Such shares with preferential rights will be re-classified from liabilities to equity upon the [REDACTED].

Our adjusted net loss (non-IFRS measures) narrowed from 2023 to 2024, primarily reflecting revenue growth and a decrease in cost of revenue, which was mainly attributable to our enhanced cost-control initiatives. Our adjusted net loss (non-IFRS measures) increased from 2024 to 2025, primarily reflecting increases in R&D expenses and selling and distribution

FINANCIAL INFORMATION

expenses, as well as a decrease in gross profit margin, which was mainly attributable to higher project deployment costs, including increased personnel outsourcing costs incurred during project implementation. For the six months ended June 30, 2025 and 2026, our adjusted net loss (non-IFRS measures) increased by 34.9% from RMB42.1 million to RMB56.8 million, primarily reflecting our increased investment in research and development and selling and distribution activities as we continued to expand our business.

KEY COMPONENTS OF OUR CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Revenue

In 2023, 2024, 2025 and six months ended June 30, 2025 and 2026, our total revenue amounted to RMB216.7 million, RMB243.5 million, RMB256.1 million, RMB46.0 million and RMB65.1 million, respectively. During the Track Record Period, our revenue was primarily derived from Chinese Mainland. Our revenue generated from overseas markets, primarily including Hong Kong and Macau, increased from RMB1.0 million in 2023 to RMB4.4 million in 2024 and further to RMB7.6 million in 2025, accounting for 0.5%, 1.8%, and 3.0% of our total revenue in the respective years. For the six months ended 2025 and 2026, our revenue generated from overseas markets increased from RMB1.1 million to RMB2.0 million, accounting from 2.4% to 3.1% of our total revenue, respectively. During the Track Record Period, the average project implementation cycle from on-site commencement to delivery was approximately six to nine months under the project-based model and approximately one month under the subscription-based model. After completion of implementation and delivery, the average cycle for customers to conduct trial run, inspection and acceptance and issue acceptance reports was approximately one to two months under both models. There is no material change in the general acceptance pattern exhibited by our customers during the Track Record Period, and we recognize revenue only upon completion of acceptance by our customers.

Below sets forth a breakdown of our revenue by contract types for the periods presented:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Project basis	160,624	74.1	169,686	69.7	196,908	76.9	32,178	70.0	46,617	71.6
– Basic platform										
products	66,699	30.8	66,074	27.1	69,489	27.1	11,498	25.0	15,842	24.3
– Customised										
development and										
deployment										
services	93,925	43.3	103,612	42.6	127,419	49.8	20,680	45.0	30,775	47.3
Subscription basis . . .	42,885	19.8	58,733	24.1	42,995	16.8	7,667	16.7	11,616	17.8
Operation and										
maintenance										
services	13,206	6.1	15,058	6.2	16,194	6.3	6,132	13.3	6,896	10.6
Total	216,715	100.0	243,477	100.0	256,097	100.0	45,977	100.0	65,129	100.0

Notes:

1. Projected-based contracts are typically integrated solution projects tailored to customers' specific business needs. They generally comprise (i) the provision of our basic platform products and (ii) customised development and deployment services provided in respect of such products, which together form an integrated solution. Depending on the scope of the individual contracts, project-based contracts may include licensing of customised software, sales of customised software and provision of IT system development and enhancement

FINANCIAL INFORMATION

services. Basic platform products mainly refer to the provision of our basic platform products to customers through licensing of customised software or sales of customised software. Customised development and deployment services mainly refer to deployment, configuration, adaptation, customised development, integration and enhancement services provided around our basic platform products according to customers’ requirements. In practice, project-based contracts are generally negotiated, priced, delivered and accepted as integrated solutions. Revenue arising from licensing of customized software is recognized at the point-in-time when the customer is granted the right to use and benefit from the license. Revenue arising from the sales of customized software is recognized at the point-in-time when the customer confirms their acceptance of the software, after the initial design, testing and modification process. Revenue arising from the provision of IT system development and enhancements is recognized over the time period at which our Group’s technicians create new modules for, or enhance the customer’s existing software.

- Subscription-based contracts relate to the licensing of standardized software. Revenue arising from these contracts are recognized at the point-in-time when the customer is granted the right to use and benefit from the license.
- Operation and maintenance service contracts relate to the provision of operating and maintenance services to customers. Revenue arising from these contracts are recognized over the specified service period on a straight-line basis.

During the Track Record Period, the revenue from basic platform products remained relatively stable at RMB66.7 million in 2023, RMB66.1 million in 2024 and RMB69.5 million in 2025, respectively. The increase from customised development and deployment services increased from RMB93.9 million in 2023 to RMB103.6 million in 2024, and further to RMB127.4 million in 2025, and increased from RMB20.7 million in the six months ended June 30, 2025 to RMB30.8 million in the six months ended June 30, 2026. Such increase was primarily attributable to we undertaking more projects with broader project scopes, higher deployment complexity and stronger industry-specific customisation requirements, resulting in increased customer demand for customised deployment, integration and enhancement services.

Below sets forth a breakdown of our revenue by industry of application scenario for the years/periods presented:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(unaudited)			
End-users										
Financial services . . .	185,847	85.8	190,099	78.1	177,929	69.5	35,322	76.8	50,021	76.8
Non-financial ⁽¹⁾	30,868	14.2	53,378	21.9	78,168	30.5	10,655	23.2	15,108	23.2
Total	216,715	100.0	243,477	100.0	256,097	100.0	45,977	100.0	65,129	100.0

Note: 1. Non-financial sector primarily included manufacturing and government affairs.

Below sets forth a breakdown of our revenue by solution for the periods presented:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(unaudited)			
K-APA	211,758	97.7	232,116	95.3	239,651	93.6	44,324	96.4	46,138	70.8
Ki-Agent ⁽¹⁾	4,957	2.3	11,361	4.7	16,446	6.4	1,653	3.6	18,991	29.2
Total	216,715	100.0	243,477	100.0	256,097	100.0	45,977	100.0	65,129	100.0

Note: 1. We commercially launched our Ki-Agent Solution in 2025. The revenue recognised in 2023 and 2024 was generated from pilot projects conducted prior to its commercial launch.

Following the formal commercial launch of our Ki-Agent Solution in 2025, our revenue generated from the Ki-Agent Solution increased significantly for the six months ended June 30, 2026 as compared with the corresponding period in 2025, reflecting its successful commercialisation.

FINANCIAL INFORMATION

Below sets forth a breakdown of our revenue by sales model for the years/periods presented:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Direct sales . . .	181,907	83.9	196,310	80.6	197,697	77.2	35,099	76.3	48,686	74.8
Channel partners	34,808	16.1	47,167	19.4	58,400	22.8	10,878	23.7	16,443	25.2
Total	216,715	100.0	243,477	100.0	256,097	100.0	45,977	100.0	65,129	100.0

Cost of Revenue

Our cost of revenue primarily consists of (i) staff costs, (ii) outsourcing deployment costs, mainly in relation with the on-site deployment and implement of our solutions; and (iii) travelling expenses. The following table sets forth a breakdown of our cost of revenue by nature for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Staff costs	99,682	78.6	88,105	77.7	80,704	65.1	23,107	104.4	26,647	83.7
Outsourcing deployment costs . .	10,525	8.3	11,957	10.5	28,584	23.1	3,508	15.9	6,203	19.5
Travelling expenses . .	5,931	4.7	6,187	5.4	5,883	4.7	1,391	6.3	1,703	5.3
Depreciation and amortisation	1,232	1.0	955	0.8	808	0.7	321	1.5	257	0.8
Provisions	241	0.2	1,290	1.1	(450)	(0.4)	(7,093)	(32.1)	(6,058)	(19.0)
Others	3,142	2.5	4,615	4.1	8,110	6.6	769	3.5	1,134	3.6
Subtotal	120,753	95.3	113,109	99.6	123,639	99.8	22,003	99.5	29,886	93.9
Write-down of inventories other contract costs	5,944	4.7	462	0.4	269	0.2	111	0.5	1,946	6.1
Total	126,697	100.0	113,571	100.0	123,908	100.0	22,114	100.0	31,832	100.0

Gross Profit and Gross Profit Margin

Our gross profit was RMB90.0 million in 2023, RMB129.9 million in 2024, and RMB132.2 million in 2025. For the six months ended June 30, 2025 and 2026, our gross profit amounted to RMB23.9 million and RMB33.3 million, respectively. Our gross profit margin was 41.5% in 2023, 53.4% in 2024 and 51.6% in 2025. For the six months ended June 30, 2025 and 2026, our gross profit margin was 51.9% and 51.1%, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by contract types for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	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'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Project basis	57,347	35.7	77,198	45.5	86,937	44.2	13,140	40.8	18,800	40.3
Subscription basis . . .	28,268	65.9	40,581	69.1	32,249	75.0	5,654	73.7	11,188	96.3

FINANCIAL INFORMATION

	Year ended December 31,						Six months ended June 30,			
	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'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Operation and maintenance services	10,347	78.4	12,589	83.6	13,272	82.0	5,180	84.5	5,255	76.2
Subtotal	95,962	44.3	130,368	53.5	132,458	51.7	23,974	52.1	35,243	54.1
Less: write-down of inventories and other contract costs .	(5,944)		(462)		(269)		(111)		(1,946)	
Total	90,018	41.5	129,906	53.4	132,189	51.6	23,863	51.9	33,297	51.1

The following table sets forth a breakdown of our gross profit and gross profit margin by industry of application scenario for the years/periods indicated:

	Year ended December 31,						Six Months Ended June 30,			
	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'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
End-users										
Financial services . . .	79,537	42.8	104,150	54.8	97,333	54.7	18,558	52.5	26,885	53.7
Non-financial ⁽¹⁾	16,425	53.2	26,218	49.1	35,125	44.9	5,416	50.8	8,358	55.3
Subtotal	95,962	44.3	130,368	53.5	132,458	51.7	23,974	52.1	35,243	54.1
Less: write-down of inventories and other contract costs	(5,944)		(462)		(269)		(111)		(1,946)	
Total	90,018	41.5	129,906	53.4	132,189	51.6	23,863	51.9	33,297	51.1

Note: 1. Non-financial sector primarily included manufacturing and government affairs.

Below sets forth a breakdown of our gross profit and gross profit margin by solution for the years/periods presented:

	Year ended December 31,						Six months ended June 30,			
	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'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
K-APA	93,040	43.9	126,093	54.3	126,993	53.0	23,976	54.1	24,436	53.0
Ki-Agent	2,922	58.9	4,275	37.6	5,465	33.2	(2)	(0.1)	10,807	56.9
Subtotal	95,962	44.3	130,368	53.5	132,458	51.7	23,974	52.1	35,243	54.1
Less: write-down of inventories and other contract costs	(5,944)		(462)		(269)		(111)		(1,946)	
Total	90,018	41.5	129,906	53.4	132,189	51.6	23,863	51.9	33,297	51.1

FINANCIAL INFORMATION

Below sets forth a breakdown of our gross profit and gross profit margin by sales model for the years/periods presented:

	Year ended December 31,						Six months ended June 30,			
	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'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Direct sales	80,322	44.2	106,328	54.2	101,451	51.3	18,898	53.8	24,999	51.3
Channel partners	15,640	44.9	24,040	51.0	31,007	53.1	5,076	46.7	10,244	62.3
Subtotal	95,962	44.3	130,368	53.5	132,458	51.7	23,974	52.1	35,243	54.1
Less: write-down of inventories and other contract costs	(5,944)		(462)		(269)		(111)		(1,946)	
Total	90,018	41.5	129,906	53.4	132,189	51.6	23,863	51.9	33,297	51.1

Other Net Income

Our other net income primarily consisted of government grants, interest income and realized gains from financial assets measured at fair value through profit or loss. Government grants mainly consist of subsidies provided by local governments to companies with a focus on innovation and entrepreneurship, awards granted to National Specialized and Innovative “Little Giant” Enterprise (國家級專精特新“小巨人”企業), and funding for industry-academia-research projects. In 2023, 2024 and 2025, our other net income amounted to RMB13.9 million, RMB22.2 million, and RMB14.9 million respectively. For the six months ended June 30, 2025 and 2026, our other net income was RMB8.5 million and RMB7.9 million, respectively. Below sets forth a breakdown of our other net income for the years/periods indicated:

	Year ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Government grants	6,907	49.7	11,781	53.0	6,247	41.9	2,820	33.2	4,168	52.8
Interest income	9,706	69.7	6,698	30.1	5,125	34.4	3,157	37.3	1,937	24.6
Realised gains from financial assets measured at fair value through profit or loss	392	2.8	3,635	16.4	3,307	22.2	2,344	27.7	1,515	19.2
Impairment loss of leasehold land	(3,188)	(22.9)	—	—	—	—	—	—	—	—
Foreign exchange differences	2	0.0	(35)	(0.2)	(23)	(0.2)	(5)	(0.1)	115	1.5
Others	99	0.7	152	0.7	250	1.7	158	1.9	153	1.9
Total	13,918	100.0	22,231	100.0	14,906	100.0	8,474	100.0	7,888	100.0

FINANCIAL INFORMATION

Research and Development Expenses (“R&D Expenses”)

Our R&D expenses primarily consisted of staff costs and share-based payment expenses. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our R&D expenses amounted to RMB55.4 million, RMB55.7 million, RMB78.8 million, RMB31.6 million and RMB42.5 million, respectively, representing 25.6%, 22.9%, 30.8%, 68.7% and 65.3% of our total revenue of the same periods, respectively. The following table sets forth a breakdown of our R&D expenses for the years/periods indicated:

	Year ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Staff costs	49,935	90.2	50,765	91.1	60,825	77.2	29,042	91.9	29,959	70.4
Depreciation and amortization	1,640	3.0	1,850	3.3	1,750	2.2	872	2.8	977	2.3
Travelling expenses . .	2,648	4.8	1,394	2.5	1,715	2.2	604	1.9	589	1.4
Professional service fees	519	0.9	1,123	2.0	3,039	3.9	850	2.7	3,778	8.9
Share-based payment expenses	208	0.4	–	–	10,012	12.7	–	–	6,741	15.9
Others	430	0.7	598	1.1	1,432	1.8	239	0.7	483	1.1
Total	55,380	100.0	55,730	100.0	78,773	100.0	31,607	100.0	42,527	100.0

Selling and Distribution Expenses

Our selling and distribution expenses primarily consisted of staff costs, business development expenses and channel fees. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our selling and distribution expenses amounted to RMB63.1 million, RMB68.1 million, RMB74.4 million, RMB29.2 million and RMB54.2 million, respectively, representing 29.1%, 28.0%, 29.1%, 63.5% and 92.1% of our total revenue of the same periods, respectively. The following table sets forth a breakdown of our selling and distribution expenses for the years/periods indicated:

	Year ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Staff costs	36,229	57.6	37,223	54.7	42,962	57.7	20,373	69.8	19,937	33.3
Business development expenses	9,925	15.7	7,304	10.7	7,089	9.5	2,787	9.5	2,860	4.8
Channel fees	7,516	11.9	15,974	23.4	11,693	15.7	3,566	12.2	10,986	18.3
Travelling expenses . .	4,506	7.1	3,838	5.6	4,125	5.5	1,170	4.0	1,978	3.3
Depreciation and amortization	1,391	2.2	1,631	2.4	1,428	1.9	806	2.8	820	1.4
Share-based payment expenses	2,012	3.2	–	–	5,064	6.8	–	–	22,909	38.2
Others	1,471	2.3	2,164	3.2	2,083	2.9	506	1.7	465	0.7
Total	63,050	100.0	68,134	100.0	74,444	100.0	29,208	100.0	59,955	100.0

Administrative and Other Expenses

Our administrative and other expenses consisted of staff costs, depreciation and amortization, business development expenses, professional service fees and share-based payment expenses. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our administrative and other expenses amounted to RMB36.5 million, RMB29.7 million, RMB54.2

FINANCIAL INFORMATION

million, RMB12.0 million and RMB24.1 million, respectively, representing 16.9%, 12.2%, 21.2%, 26.2% and 37.0% of our total revenue of the same periods, respectively. The following table sets forth a breakdown of our administrative and other expenses for the years/periods indicated:

	Year ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Staff costs	20,842	57.0	20,138	67.8	20,693	38.2	9,129	75.9	8,566	35.5
Depreciation and amortization	2,168	5.9	1,691	5.7	1,328	2.4	700	5.8	710	2.9
Business development expenses	2,370	6.5	1,802	6.1	1,424	2.6	575	4.8	914	3.8
Professional service fees	1,410	3.9	1,840	6.2	1,557	2.9	452	3.8	2,610	10.8
Taxes and surcharges	1,908	5.2	2,176	7.3	2,003	3.7	534	4.4	614	2.5
Travelling expenses	730	2.0	940	3.2	429	0.8	152	1.3	384	1.6
Share-based payment expenses	6,090	16.7	—	—	10,045	18.5	—	—	8,301	34.4
[REDACTED] expenses	—	—	—	—	15,058	27.8	—	—	1,558	6.5
Others ⁽¹⁾	1,019	2.8	1,129	3.7	1,677	3.1	489	4.0	439	2.0
Total	36,537	100.0	29,716	100.0	54,214	100.0	12,031	100.0	24,096	100.0

Note: (1) Others mainly included rental and utilities and property management fees.

Impairment losses on financial assets and contract assets, net

Impairment losses on financial assets and contract assets, net primarily represents allowance for expected credit losses of trade and bills receivables. We recorded impairment loss of RMB8.7 million in 2023, RMB2.4 million in 2024, and RMB7.2 million in 2025. For the six months ended June 30, 2025 and 2026, we recorded reversal of impairment losses on financial assets and contract assets of RMB0.1 million and impairment losses of RMB10.9 million, respectively.

Finance Costs

Our finance costs primarily consist of interest expense on lease liabilities. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our finance costs amounted to RMB0.3 million, RMB0.2 million, RMB0.5 million, RMB0.1 million and RMB0.1 million, respectively.

Fair Value Changes in Financial Assets

During the Track Record Period, our financial assets primarily consisted of wealth management products. In 2023 and 2024, we recorded a fair value gain of RMB0.5 million, RMB0.4 million, and we recorded a fair value loss of RMB0.6 million in 2025. For the six months ended June 30, 2025 and 2026, we recorded a fair value loss of RMB0.7 million and RMB0.2 million, respectively.

Changes in the Carrying Amount of Redemption Liabilities

During the Track Record Period, we recognized the redemption liabilities upon certain redemption or liquidation events. For details, please see “History, Development and Corporate Structure — Details of the Pre-[REDACTED] Investments.” We expect to continue to recognize such redemption rights held by Pre-[REDACTED] Investors for the period from June 30, 2026 to the date when the redemption rights held by our Pre-[REDACTED] Investors are terminated, and we do not expect to recognize changes in the carrying amount of

FINANCIAL INFORMATION

redemption liabilities thereafter. For details, please see note 23 of the Accountants’ Report set forth in Appendix I to this document. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, we recorded changes in the carrying amount of redemption liabilities of RMB5.2 million, RMB119.3 million, RMB278.3 million, RMB74.7 million and RMB12.7 million, respectively.

Income Tax

We are subject to income tax on an entity basis on profits arising in or derived from jurisdictions in which we operate. In 2023, 2024 and 2025, we recorded income tax credits of RMB2.2 million, RMB0.7 million, and RMB1.3 million respectively. For the six months ended June 30, 2025 and 2026, we recorded income tax expense of RMB0.9 million and income tax credits of RMB0.3 million, respectively.

Chinese Mainland

We and our subsidiaries established in the PRC are generally subject to PRC Corporate Income Tax (“CIT”) at a rate of 25%. Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise (the “HNTE”) is entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis. We qualify as an HNTE and are entitled for a preferential tax rate of 15% from December 2021 to December 2027. Except for Zhuhai Jinzhida, all of our PRC subsidiaries qualify as small and micro-profit enterprises and are entitled to the preferential corporate income tax rate of 20% during the Track Record Period. Zhuhai Jinzhida was eligible for such preferential treatment prior to 2024 but ceased to be entitled to it from 2024 onwards, as it no longer qualifies as a small and micro-profit enterprises. We are entitled to an additional tax-deductible allowance calculated at 100% of our qualified R&D costs during the Track Record Period. Tax effect of non-deductible expenses mainly represent the changes in the carrying amount of redemption liabilities, which are not deductible in accordance with relevant tax regulations in the PRC.

Hong Kong

Our subsidiary in Hong Kong is subject to Hong Kong profit tax at a rate of 16.5% during the Track Record Period.

Loss for the Year/Period

In light of the above, we recorded loss for the year/period of RMB62.6 million, RMB122.2 million, RMB345.6 million, RMB116.8 million and RMB109.1 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, with a net loss margin of 28.9%, 50.2%, 135.0%, 254.1% and 167.5% for the same years/periods, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2026

Revenue

Our revenue increased by 41.7% from RMB46.0 million for the six months ended June 30, 2025 to RMB65.1 million for the six months ended June 30, 2026.

Based on contract types:

- *Revenue from sales on project basis.* Our revenue from sales of our solutions on project basis increased by 44.7% from RMB32.2 million for the six months ended June 30, 2025 to RMB46.6 million for the six months ended June 30, 2026, primarily driven by (i) our expanded customer base, and (ii) the completion of customer acceptance for certain project-based contracts entered into in 2025, which resulted in the recognition of the related revenue during the period.

FINANCIAL INFORMATION

- *Revenue from sales on subscription basis.* Our revenue from sales on subscription basis increased by 50.6% from RMB7.7 million for the six months ended June 30, 2025 to RMB11.6 million for the six months ended June 30, 2026, primarily driven by our increased customer base and customer adoption of our solutions, which benefited from our increased market recognition resulting from our ongoing product enhancements and technological upgrades.
- *Revenue from operation and maintenance services.* Our revenue from operation and maintenance services increased by 13.1% from RMB6.1 million for the six months ended June 30, 2025 to RMB6.9 million for the six months ended June 30, 2026, primarily driven by our expanded customer base and growing installed base of our solutions, which generated higher demand for follow-on operation, maintenance and support services.

Based on application scenario:

- *Revenue from financial services sector.* Our revenue from the financial services sector increased by 41.6% from RMB35.3 million for the six months ended June 30, 2025 to RMB50.0 million for the six months ended June 30, 2026, primarily driven by (i) our expanded customer base and (ii) the completion of customer acceptance of certain project-based contracts with financial services customers entered into in 2025, which resulted in the recognition of the related revenue during the period.
- *Revenue from non-financial sector.* Our revenue from the non-financial sector increased by 41.1% from RMB10.7 million for the six months ended June 30, 2025 to RMB15.1 million for the six months ended June 30, 2026, primarily driven by our continued business expansion in the non-financial sector, particularly in the government affairs and manufacturing sectors, which was supported by our enhanced sales and marketing efforts in the related sectors.

Cost of revenue

Our cost of revenue increased by 43.9% from RMB22.1 million for the six months ended June 30, 2025 to RMB31.8 million for the six months ended June 30, 2026, primarily driven by (i) an increase in staff costs of RMB3.5 million; and (ii) an increase in outsourcing deployment costs of RMB2.7 million, both generally in line with our business expansion and increased delivery activities.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 39.3% from RMB23.9 million for the six months ended June 30, 2025 to RMB33.3 million for the six months ended June 30, 2026. Our gross profit margin remained relatively stable at 51.9% for the six months ended June 30, 2025 and 51.1% for the six months ended June 30, 2026.

Based on contract types:

- *Gross profit from sales on project basis.* Our gross profit from sales on project basis increased by 43.5% from RMB13.1 million for the six months ended June 30, 2025 to RMB18.8 million for the six months ended June 30, 2026, primarily driven by the increase in revenue from sales on project basis. Our gross profit margin from sales on project basis remained relatively stable at 40.8% for the six months ended June 30, 2025 and 40.3% for the six months ended June 30, 2026.

FINANCIAL INFORMATION

- Gross profit from sales on subscription basis. Our gross profit from sales on subscription basis increased by 96.5% from RMB5.7 million for the six months ended June 30, 2025 to RMB11.2 million for the six months ended June 30, 2026, primarily driven by the increase in revenue from sales on subscription basis. Our gross profit margin from sales on subscription basis remained at a relatively high level of 73.7% and 96.3% for the six months ended June 30, 2025 and 2026, respectively, and the increase was primarily attributable to a higher proportion of revenue derived from long-term recurring subscription arrangements with existing customers, which generally required limited ongoing delivery input after the initial deployment of our solutions.
- Gross profit from operation and maintenance services. Our gross profit from operation and maintenance services remained relatively stable at RMB5.2 million for the six months ended June 30, 2025 and RMB5.3 million for the six months ended June 30, 2026. Our gross profit margin from operation and maintenance services decreased from 84.5% for the six months ended June 30, 2025 to 76.2% for the six months ended June 30, 2026, maintaining at a relatively high level.

Based on application scenario:

- Gross profit from financial services sector. Our gross profit from financial services sector increased by 44.6% from RMB18.6 million for the six months ended June 30, 2025 to RMB26.9 million for the six months ended June 30, 2026, primarily due to the increase in revenue from the financial services sector, and our gross profit margin from financial services sector remained relatively stable at 52.5% for the six months ended June 30, 2025 and 53.7% for the six months ended June 30, 2026.
- Gross profit from non-financial sector. Our gross profit from non-financial sector increased by 55.6% from RMB5.4 million for the six months ended June 30, 2025 to RMB8.4 million for the six months ended June 30, 2026, primarily driven by the increase in revenue from the non-financial sector. Our gross profit margin from non-financial sector increased from 50.8% for the six months ended June 30, 2025 to 55.3% for the six months ended June 30, 2026, primarily attributable to our deepening industry expertise and delivery experience in the non-financial sector, which enabled us to reduce deployment costs for certain customer engagements and resulted in higher gross profit margins for such engagements during the period.

Other net income

Our other net income slightly decreased from RMB8.5 million for the six months ended June 30, 2025 to RMB7.9 million for the six months ended June 30, 2026, primarily driven by a decrease in interest income of RMB1.2 million due to (i) a decrease in interest income of RMB1.2 million as a result of lower average balances of time deposits during the period and a decrease in interest rate; and (ii) a decrease in realised gains from financial assets measured at fair value through profit or loss of RMB0.8 million resulted from a decrease in interest rate, partially offset by an increase in government grants of RMB1.3 million as our R&D activities progressed, which was in line with the relevant grant policies and arrangements.

Research and development expenses

Our R&D expenses increased by 34.5% from RMB31.6 million for the six months ended June 30, 2025 to RMB42.5 million for the six months ended June 30, 2026, primarily driven by (i) share-based payment expenses of RMB6.7 million, reflecting our implementation of

FINANCIAL INFORMATION

incentive initiatives to better incentivise our R&D personnel and support the continued development and enhancement of our solutions to keep pace with the rapid advancement in AI technologies; and (ii) an increase in professional service fees of RMB2.9 million, primarily attributable to external technical services for the development and enhancement of certain AI-enabled functionalities of our solutions, as well as rental of computing resources to support our R&D activities.

Selling and distribution expenses

Our selling and distribution expenses increased significantly by 105.5% from RMB29.2 million for the six months ended June 30, 2025 to RMB60.0 million for the six months ended June 30, 2026, primarily driven by (i) share-based payment expenses of RMB22.9 million, reflecting our implementation of incentive initiatives to better incentivise our sales and marketing personnel and support our business expansion; and (ii) an increase in channel fees of RMB7.4 million as we strengthened our cooperation with channel partners to expand our customer reach and market presence.

Administrative and other expenses

Our administrative and other expenses increased significantly by 100.8% from RMB12.0 million for the six months ended June 30, 2025 to RMB24.1 million for the six months ended June 30, 2026, primarily driven by (i) share-based payment expenses of RMB8.3 million, reflecting our implementation of incentive initiatives to better incentivise our management and core personnel; (ii) an increase in professional service fees of RMB2.1 million, primarily for consultancy and other professional services supporting our corporate governance and business operations; and (iii) [REDACTED] of RMB1.6 million incurred in connection with the [REDACTED].

Impairment losses on financial assets and contract assets, net

We recorded reversal of impairment losses on financial assets and contract assets of RMB0.1 million for the six months ended June 30, 2025, and recorded impairment losses of RMB10.9 million for the six months ended June 30, 2026, primarily because loss allowances on certain trade receivables were reversed upon their collection during the six months ended June 30, 2025, whereas the impairment losses recognised during the six months ended June 30, 2026 mainly reflected our increased revenue scale and changes in the composition of outstanding trade receivables and contract assets, which collectively resulted in higher expected credit loss allowances under our established impairment assessment methodology.

Finance costs

Our finance costs remained relatively stable at RMB0.1 million for the six months ended June 30, 2025 and RMB0.1 million for the six months ended June 30, 2026.

Changes in the carrying amount of redemption liabilities

Changes in the carrying amount of redemption liabilities decreased significantly from RMB74.7 million for the six months ended June 30, 2025 to RMB12.7 million for the six months ended June 30, 2026, primarily because the equity value of the Shares with redemption liabilities we issued to our Pre-[REDACTED] Investors remained relatively stable during the six months ended June 30, 2026, as compared with a significant increase during the corresponding period in 2025.

FINANCIAL INFORMATION

Income tax

We recorded income tax expense of RMB0.9 million for the six months ended June 30, 2025 and income tax credit of RMB0.3 million for the six months ended June 30, 2026.

Loss for the period

As a result of the foregoing, we recorded loss for the period of RMB109.1 million for the six months ended June 30, 2026, compared to a loss of RMB116.8 million for the six months ended June 30, 2025.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 5.2% from RMB243.5 million in 2024 to RMB256.1 million in 2025.

Based on contract types:

- *Revenue from sales on project basis.* Our revenue from sales of our solutions on project basis increased by 16.0% from RMB169.7 million in 2024 to RMB196.9 million in 2025, primarily driven by (i) our continued expansion of customer base in 2025, particularly in non-financial sectors especially manufacturing and government affairs, and (ii) increasing customer demand for project-based deployments.
- *Revenue from sales on subscription basis.* Our revenue from sales on subscription basis decreased by 26.7% from RMB58.7 million in 2024 to RMB43.0 million in 2025, primarily attributable to changes in customer demand mix, which led to a corresponding adjustment in our revenue mix. In particular, while our overall revenue continued to increase in 2025, customers showed greater demand for Ki-Agent Solution, which was primarily sold on a project basis, and therefore the contribution from sales on subscription basis declined.
- *Revenue from operation and maintenance services.* Our revenue from operation and maintenance services increased by 7.3% from RMB15.1 million in 2024 to RMB16.2 million in 2025, primarily driven by our expanded customer base and increasing number of deployed projects, which generated higher demand for follow-on operation, maintenance and support services.

Based on application scenario:

- *Revenue from financial services sector.* Our revenue from the financial services sector decreased by 6.4% from RMB190.1 million in 2024 to RMB177.9 million in 2025, primarily reflecting a shift in demand from certain financial services customers toward Ki-Agent Solution, which was sold on project basis, and the relevant projects were scheduled for acceptance in 2026. As a result, the related revenue was not recognized in 2025.

FINANCIAL INFORMATION

- *Revenue from non-financial sector.* Our revenue from the non-financial sector increased by 46.4% from RMB53.4 million in 2024 to RMB78.2 million in 2025, primarily attributable to our continued business expansion in the non-financial sector, particularly in the government affairs sector and the manufacturing sector, which was supported by our enhanced sales and marketing efforts in the related sectors.

Cost of revenue

Our cost of revenue increased by 9.1% from RMB113.6 million in 2024 to RMB123.9 million in 2025, primarily attributable to an increase in outsourcing deployment costs for implementation of certain of our projects of RMB16.6 million, generally in line with our business expansion.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit remained relatively stable at RMB129.9 million in 2024 and RMB132.2 million in 2025. Our gross profit margin decreased from 53.4% in 2024 to 51.6% in 2025.

Based on contract types:

- *Gross profit from sales on project basis.* Our gross profit from sales on project basis increased by 12.6% from RMB77.2 million in 2024 to RMB86.9 million in 2025, primarily due to the increase in revenue from sales on project basis in 2025. Our gross profit margin from sales on project basis decreased from 45.5% in 2024 to 44.2% in 2025, primarily attributable to increased delivery costs as (i) certain larger projects, particularly from financial services customers, involved longer customer-end review and acceptance processes due to their internal procedures, which prolonged project cycles and increased delivery input, (ii) we continued to expand into non-financial sectors, where pilot projects at the initial stage of market penetration generally required relatively higher implementation effort and delivery costs, and (iii) we started to engage suppliers with delivery capabilities for certain projects in 2025, whose implementation costs were relatively higher during the initial stage of cooperation with us.
- *Gross profit from sales on subscription basis.* Our gross profit from sales on subscription basis decreased by 20.5% from RMB40.6 million in 2024 to RMB32.2 million in 2025, primarily due to the decrease in revenue from sales on subscription basis, as compared to 2024. Our gross profit margin from sales on subscription basis increased from 69.1% in 2024 to 75.0% in 2025, primarily due to further standardization of our solution offering. Such standardization reduced the extent of project-specific customization and improved replicability across projects, which enhanced delivery efficiency, shortened implementation time and lowered labour and deployment input, thereby reducing implementation costs and increasing our gross profit margin.
- *Gross profit from operation and maintenance services.* Our gross profit from operation and maintenance services increased by 5.4% from RMB12.6 million in 2024 to RMB13.3 million in 2025, primarily driven by the increase in revenue from operation and maintenance services as our customer base and number of deployed projects expanded. Our gross profit margin from operation and maintenance services amounted to 83.6% in 2024 to 82.0% in 2025, maintaining at a relatively high level.

FINANCIAL INFORMATION

Based on application scenario:

- *Gross profit from financial services sector.* Our gross profit from financial services sector decreased by 6.5% from RMB104.2 million in 2024 to RMB97.3 million in 2025, primarily due to the decrease in revenue from the financial services sector, and our gross profit margin from financial services sector slightly decreased from 54.8% in 2024 to 54.7% in 2025, primarily due to increased delivery costs for certain projects in the financial services sector, as certain customers took longer time to complete their internal review and acceptance procedures in 2025.
- *Gross profit from non-financial sector.* Our gross profit from non-financial sector increased by 34.0% from RMB26.2 million in 2024 to RMB35.1 million in 2025, primarily due to our continued business expansion in the non-financial sector. Our gross profit margin from non-financial sector decreased from 49.1% in 2024 to 44.9% in 2025, primarily due to higher delivery costs incurred as we continued to expand into new customers and application scenarios in the non-financial sector, including the human resources and social security sector, where projects at the early stage of market expansion generally involved relatively longer implementation cycles and higher delivery input. We expect such gross profit margin to gradually stabilize as standardization continues to improve and our penetration in the relevant sectors further matures.

Other net income

Our other net income decreased by 32.9% from RMB22.2 million in 2024 to RMB14.9 million in 2025, primarily due to the decrease in government grants received, which was in line with the relevant grant policies and arrangements.

Research and development expenses

Our R&D expenses increased by 41.5% from RMB55.7 million in 2024 to RMB78.8 million in 2025, primarily due to an increase in staff costs and share-based payment expenses, reflecting our recruitment of high-end AI talent and the implementation of incentive initiatives to keep pace with the rapid advancement in AI technologies and enhance our solutions.

Selling and distribution expenses

Our selling and distribution expenses increased by 9.3% from RMB68.1 million in 2024 to RMB74.4 million in 2025, primarily due to an increase in share-based payment expenses and staff costs resulting from our optimization of their compensation structure to better incentivize our sales and marketing personnel.

Administrative and other expenses

Our administrative and other expenses increased significantly by 82.5% from RMB29.7 million in 2024 to RMB54.2 million in 2025, primarily due to (i) [REDACTED] incurred in 2025 relating to the [REDACTED]; and (ii) an increase in share-based payment expenses resulting from our optimization of compensation structure to better incentivize our core personnel.

FINANCIAL INFORMATION

Impairment losses on financial assets and contract assets, net

Our impairment losses on financial assets and contract assets increased significantly from RMB2.4 million in 2024 to RMB7.2 million in 2025, which is in line with the significant increase in trade and bills receivables as our business expanded.

Finance costs

Our finance costs increased from RMB0.2 million in 2024 to RMB0.5 million in 2025, primarily due to the increase in interest expense on lease liabilities.

Changes in the carrying amount of redemption liabilities

Changes in the carrying amount of redemption liabilities increased significantly from RMB119.3 million in 2024 to RMB278.3 million in 2025, primarily due to changes in the equity value of the Shares with redemption liabilities we issued to our Pre-[REDACTED] Investors.

Income tax

Our income tax benefit increased from RMB0.7 million in 2024 to RMB1.3 million in 2025.

Loss for the year

As a result of the foregoing, we recorded loss for the year of RMB345.6 million for the year ended December 31, 2025, compared to a loss of RMB122.2 million for the year ended December 31, 2024.

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

Revenue

Our revenue increased by 12.3% from RMB216.7 million in 2023 to RMB243.5 million in 2024.

Based on contract types:

- *Revenue from sales on project basis.* Our revenue from sales on project basis increased by 5.7% from RMB160.6 million in 2023 to RMB169.7 million in 2024, primarily driven by (i) emerging customer demand arising from continuous technological advancements in AI, cloud computing and big data services; and (ii) an expansion of our customer base from 2023 to 2024, which was caused by the digital transformation trend of various industries, such as financial services, manufacturing and government affairs.
- *Revenue from sales on subscription basis.* Our revenue from sales on subscription basis increased by 36.8% from RMB42.9 million in 2023 to RMB58.7 million in 2024, primarily driven by our increased customer base in 2024, which benefited from our increased market recognition and customer adoption of our solutions resulting from our ongoing product enhancements and technological upgrades.
- *Revenue from operation and maintenance services.* Our revenue from operation and maintenance services increased by 14.4% from RMB13.2 million in 2023 to RMB15.1 million in 2024, primarily driven by an expansion of our customer base from 2023 to 2024.

FINANCIAL INFORMATION

Based on application scenario:

- *Revenue from financial services sector.* Our revenue from the financial services sector remained relatively stable at RMB185.8 million in 2023 and RMB190.1 million in 2024.
- *Revenue from non-financial sector.* Our revenue from the non-financial sector increased by 72.8% from RMB30.9 million in 2023 to RMB53.4 million in 2024, primarily attributable to our business expansion in the government affairs sector and the manufacturing sector, which was caused by our enhanced sales and marketing efforts in the related sectors.

Cost of revenue

Our cost of revenue decreased by 10.4% from RMB126.7 million in 2023 to RMB113.6 million in 2024, primarily due to our enhanced cost-control initiatives, including prioritizing high-margin projects and hiring more localized deployment staff in key regional markets, which reduced travel and accommodation expenses and relatively higher costs associated with cross-region deployment, while improving deployment efficiency.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 44.3% from RMB90.0 million in 2023 to RMB129.9 million in 2024. Our gross profit margin increased from 41.5% in 2023 to 53.4% in 2024, primarily driven by higher revenue and improved cost management, including enhanced operational efficiency and a more disciplined project selection process that strengthened overall profitability.

Based on contract types:

- *Gross profit from sales on project basis.* Our gross profit from sales on project basis increased by 34.6% from RMB57.3 million in 2023 to RMB77.2 million in 2024, and our gross profit margin from sales on project basis increased from 35.7% in 2023 to 45.5% in 2024, primarily attributable to our proactive project selection mechanism and disciplined gross-margin control measures implemented during the pre-engagement stage.
- *Gross profit from sales on subscription basis.* Our gross profit from sales on subscription basis increased by 43.6% from RMB28.3 million in 2023 to RMB40.6 million in 2024, primarily attributable to our continuously expanding customer base. Our gross profit margin from sales on subscription basis increased from 65.9% in 2023 to 69.1% in 2024, primarily attributable to the progressive standardization of our solution offering. Such standardization reduced the extent of project-specific customization and improved replicability across projects, which enhanced delivery efficiency, shortened implementation time and lowered labour and deployment input, thereby reducing implementation costs and increasing our gross profit margin.
- *Gross profit from operation and maintenance services.* Our gross profit from operation and maintenance services increased from RMB10.3 million in 2023 to RMB12.6 million in 2024. Our gross profit margin from operation and maintenance services was 78.4% in 2023 and 83.6% in 2024, maintaining at a relatively high level.

FINANCIAL INFORMATION

Based on application scenario:

- *Gross profit from financial services sector.* Our gross profit from the financial services sector increased by 30.9% from RMB79.5 million in 2023 to RMB104.2 million in 2024, primarily attributable to our continuous expansion of customer base. Our gross profit margin from the financial services sector increased from 42.8% in 2023 to 54.8% in 2024, primarily attributable to our proactive project selection mechanism and disciplined gross-margin control measures implemented during the pre-engagement stage.
- *Gross profit from non-financial sector.* Our gross profit from the non-financial sector increased by 59.6% from RMB16.4 million in 2023 to RMB26.2 million in 2024, primarily attributable to our business expansion in the non-financial sector. Our gross profit margin from the non-financial sector decreased from 53.2% in 2023 to 49.1% in 2024, primarily attributable to higher project-specific implementation costs as we expand our business in the non-financial sector.

Other net income

Our other net income increased by 59.7% from RMB13.9 million in 2023 to RMB22.2 million in 2024, primarily due to an increase in government grants as a result of variations in the progress of our R&D projects.

Research and development expenses

Our R&D expenses remained relatively stable at RMB55.4 million in 2023 and RMB55.7 million in 2024.

Selling and distribution expenses

Our selling and distribution expenses increased by 8.1% from RMB63.1 million in 2023 to RMB68.1 million in 2024, generally in line with our revenue growth.

Administrative and other expenses

Our administrative and other expenses decreased by 18.7% from RMB36.5 million in 2023 to RMB29.7 million in 2024, primarily due to a decrease in share-based compensation as part of our efforts to optimize our team and their compensation structure, and a decrease in rental payments.

Impairment losses on financial assets and contract assets, net

Our impairment losses on financial assets and contract assets decreased by 72.5% from RMB8.7 million in 2023 to RMB2.4 million in 2024, primarily due to a significant decrease in impairment losses of trade and bills receivables as a result of our improved collection measures.

Finance costs

Our finance costs remained relatively stable at RMB0.3 million in 2023 and RMB0.2 million in 2024.

FINANCIAL INFORMATION

Changes in the carrying amount of redemption liabilities

Changes in the carrying amount of redemption liabilities increased by 2,194.3% from RMB5.2 million in 2023 and RMB119.3 million in 2024, primarily due to changes in the equity value of the Shares with redemption liabilities we issued to our Pre-[REDACTED] Investors.

Income tax

Our income tax benefit decreased by 69.2% from RMB2.2 million in 2023 to RMB0.7 million in 2024, primarily due to lower recognition of deferred tax assets.

Loss for the year

As a result of the foregoing, we recorded loss for the year of RMB122.2 million in 2024, compared to a loss of RMB62.6 million in 2023.

DISCUSSION OF CERTAIN KEY ITEMS OF OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets and Non-current Liabilities

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets:				
Property, plant and equipment	11,735	44,465	109,306	133,040
Intangible assets	501	316	932	1,006
Right-of-use assets	16,325	12,643	14,221	16,199
Deferred tax assets	5,844	6,515	7,799	8,115
Contract assets	1,457	2,573	1,686	1,905
Time deposits and restricted cash	12,651	128,351	96,405	65,048
Other non-current assets	7,912	18,587	3,444	3,844
Total non-current assets . . .	56,425	213,450	233,793	229,157
Non-current liabilities:				
Other payables, accruals and other liabilities	72	1,798	3,600	3,600
Borrowings	—	25,247	64,678	73,379
Lease liabilities	1,118	359	2,283	3,480
Total non-current liabilities	1,190	27,404	70,561	80,459
Net non-current assets	55,235	186,046	163,232	148,698

FINANCIAL INFORMATION

Property, Plant and Equipment

Our property, plant and equipment primarily consist of construction in progress, electronic and other office equipment and leasehold improvements. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	June 30,
	RMB'000	RMB'000	RMB'000	2026
Construction in progress	8,564	42,259	107,457	131,183
Electronic and other office equipment	1,215	1,250	1,321	1,349
Leasehold improvements	1,936	936	508	488
Vehicles	20	20	20	20
Total	11,735	44,465	109,306	133,040

Our property, plant and equipment increased significantly from RMB11.7 million as of December 31, 2023 to RMB44.5 million as of December 31, 2024, RMB109.3 million as of December 31, 2025, and further to RMB133.0 million as of June 30, 2026. The continuous increase during the Track Record Period was primarily due to the ongoing construction of our office building.

Intangible Assets

Our intangible assets primarily consist of software licenses and patents. The following table sets forth a breakdown of our intangible assets as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	June 30,
	RMB'000	RMB'000	RMB'000	2026
Software licenses	394	243	889	976
Patents	107	73	43	30
Total	501	316	932	1,006

Our intangible assets amounted to RMB0.5 million as of December 31, 2023, decreased to RMB0.3 million as of December 31, 2024, increased to RMB0.9 million as of December 31, 2025, and further to RMB1.0 million as of June 30, 2026, primarily due to acquisition of software for our business expansion and general corporate governance purpose.

Right-of-Use Assets

Our right-of-use assets primarily include leasehold land and offices and 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
	2023	2024	2025	June 30,
	RMB'000	RMB'000	RMB'000	2026
Leasehold land	9,214	9,206	8,965	8,844
Offices and buildings	7,111	3,437	5,256	7,355
Total	16,325	12,643	14,221	16,199

FINANCIAL INFORMATION

Our right-of-use assets decreased from RMB16.3 million as of December 31, 2023 to RMB12.6 million as of December 31, 2024, primarily due to the reduction in office rental of our branches. Our right-of-use assets increased from RMB12.6 million as of December 31, 2024 to RMB14.2 million as of December 31, 2025 and further to RMB16.2 million as of June 30, 2026, primarily due to the renewal of certain lease agreements and the execution of new lease agreements. In accordance with IAS 36, we performed impairment tests, for the amounts of impairment losses, see Note 13 of the Accountants’ Report as set out in Appendix I to this Document.

Deferred tax assets

Our deferred tax assets increased from RMB5.8 million as of December 31, 2023 to RMB6.5 million as of December 31, 2024 and further to RMB7.8 million as of December 31, 2025, primarily reflecting the increased deductible temporary differences arising from impairment losses for trade receivables and fluctuations in lease liabilities. Our deferred tax assets remained relatively stable at RMB7.8 million as of December 31, 2025 and RMB8.1 million as of June 30, 2026.

Time deposits and restricted cash

Our time deposits and restricted cash increased significantly from RMB12.7 million as of December 31, 2023 to RMB128.4 million as of December 31, 2024, and decreased to RMB96.4 million as of December 31, 2025 and further decreased to RMB65.0 million as of June 30, 2026. The fluctuation in our time deposits with banks during the Track Record Period was primarily due to changes in our investment management strategy, as we continuously monitor our investment portfolio of wealth management products and time deposits with banks to fully utilize our spare funds.

Other non-current assets

Our other non-current assets mainly include prepayments for construction in progress and deposits. Our other non-current assets increased from RMB7.9 million as of December 31, 2023 to RMB18.6 million as of December 31, 2024, primarily due to the prepayments related to the ongoing construction of our office building. Our other non-current assets decreased to RMB3.4 million as of December 31, 2025, primarily due to decreased prepayments to construction in progress in line with the achievement of specific project milestones. Our other non-current assets remained relatively stable at RMB3.8 million as of June 30, 2026.

Current Assets and Current Liabilities

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

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current assets:					
Inventories and other					
contract costs	15,132	18,473	31,209	53,762	62,150

FINANCIAL INFORMATION

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Trade and bills					
receivables	117,546	125,833	161,136	109,457	100,283
Contract assets	3,650	5,098	5,519	5,464	5,451
Financial assets					
measured at fair					
value through profit					
or loss	65,183	241,113	65,487	152,318	161,233
Prepayments, other					
receivables and other					
assets	53,742	9,059	20,033	18,658	18,607
Time deposits and					
restricted cash	201,709	40,928	155,321	87,673	101,612
Cash and cash					
equivalents	204,394	93,330	140,970	71,891	57,291
Total current assets . .	661,356	533,834	579,675	499,223	506,627
Current liabilities:					
Trade payables	12,060	20,679	36,945	30,610	30,622
Contract liabilities . . .	15,752	16,439	13,737	22,483	25,479
Lease liabilities	5,042	2,003	2,840	3,632	3,444
Other payables,					
accruals and other					
liabilities	42,853	41,292	78,178	42,193	42,894
Redemption liabilities .	1,715,412	1,834,672	2,112,994	2,125,740	2,125,740
Provisions	7,185	8,474	8,024	1,966	1,966
Total current					
liabilities	1,798,304	1,923,559	2,252,718	2,226,624	2,230,145
Net current					
liabilities	1,136,948	1,389,725	1,673,043	1,727,401	1,723,518

Our net current liabilities increased from RMB1,136.9 million as of December 31, 2023 to RMB1,389.7 million as of December 31, 2024, primarily due to (i) a decrease in time deposits and restricted cash of RMB160.8 million, (ii) an increase in redemption liabilities of RMB119.3 million, (iii) a decrease in cash and cash equivalents of RMB111.1 million, and (iv) a decrease in prepayments, other receivables and other assets of RMB44.7 million, partially offset by an increase in financial assets measured at fair value through profit or loss of RMB175.9 million.

Our net current liabilities increased from RMB1,389.7 million as of December 31, 2024 to RMB1,673.0 million as of December 31, 2025, primarily due to (i) a decrease in financial assets measured at fair value through profit or loss of RMB175.6 million, and (ii) an increase in redemption liabilities of RMB278.3 million, partially offset by (i) an increase in time deposits and restricted cash of RMB114.4 million, and (ii) an increase in cash and cash equivalents of RMB47.6 million.

FINANCIAL INFORMATION

Our net current liabilities increased from RMB1,673.0 million as of December 31, 2025 to RMB1,727.4 million as of June 30, 2026, primarily due to (i) a decrease in cash and cash equivalents of RMB69.1 million, (ii) a decrease in time deposits and restricted cash of RMB67.6 million, (iii) a decrease in trade and bills receivables of RMB51.7 million, and (iv) a decrease in other payables, accruals and other liabilities of RMB36.0 million, partially offset by (i) an increase in financial assets measured at fair value through profit or loss of RMB86.8 million, (ii) an increase in inventories and other contract costs of RMB22.6 million, and (iii) an increase in contract liabilities of RMB8.7 million.

Our net current liabilities decreased from RMB1,727.4 million as of June 30, 2026 to RMB1,723.5 million as of July 31, 2026, primarily due to (i) an increase in time deposits and restricted cash of RMB13.9 million, (ii) an increase in inventories and other contract costs of RMB8.4 million, and (iii) an increase in financial assets measured at fair value through profit or loss of RMB8.9 million, partially offset by (i) a decrease in cash and cash equivalents of RMB14.6 million, (ii) a decrease in trade and bills receivables of RMB9.2 million, and (iii) an increase in contract liabilities of RMB3.0 million.

The net current liabilities position as at June 30, 2026 was primarily due to the financial liabilities on redemption rights which will be redesignated from liabilities to equity as a result of the automatic conversion into ordinary shares upon [REDACTED], and we expect that the net current liabilities position would turn into net current assets position. To improve our net current liabilities position, we have further taken and plan to continue taking measures to strengthen our working capital management and accelerate cash inflows. In particular, we plan to improve collection efficiency through closer coordination among our sales, delivery and finance functions, optimize our sales strategy and credit policy for certain products and customer segments, including adopting more stringent advance payment arrangements where appropriate, and continue enhancing delivery efficiency through greater productization, modularization and standardization. Through these measures, we expect to improve our cash conversion, strengthen our liquidity and gradually improve our net current liabilities position.

Inventories and Other Contract Costs

Our inventories and other contract costs primarily consisted of hardware and contract fulfilment cost. The following table sets for the details of our inventories and other contract costs as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	June 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
Hardware	9,767	9,309	9,030	9,037
Contract fulfilment costs	13,252	17,051	30,204	52,949
Less: write-down of inventories and other contract costs	(7,887)	(7,887)	(8,025)	(8,224)
Total	15,132	18,473	31,209	53,762

Our inventories and other contract costs increased from RMB15.1 million as of December 31, 2023 to RMB18.5 million as of December 31, 2024 and further to RMB31.2 million as of December 31, 2025, primarily due to the growth of projects pending final acceptance in line with our business expansion. Our inventories and other contract costs further increased to

FINANCIAL INFORMATION

RMB53.8 million as of June 30, 2026, primarily due to (i) the increase in the number and scale of projects under implementation as our business expanded, as well as (ii) our accelerated project implementation and deployment activities in preparation for the seasonal peak in project delivery and customer acceptance in the second half of the year, which resulted in higher contract fulfilment costs. We place strong emphasis on inventory management and continuously optimize our inventory structure and turnover efficiency through measures including whole-cycle project management, dynamic monitoring of inventory aging, targeted clearance of long-aged inventory, source control over customers and contracts, and prudent impairment provisioning. In light of the relatively longer acceptance cycle of project-based deployments in the financial services sector, we have further optimized our implementation and acceptance procedures, promoted phased delivery and milestone confirmation, and strengthened coordination between our business and finance functions, with a view to tightly controlling inventory scale and aging risks and steadily enhancing asset quality and operational efficiency. The following table sets forth a summary on the aging analysis of inventories and other contract costs as at the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	14,095	14,454	23,459	40,965
1 to 2 years	1,037	3,630	5,155	10,343
2 to 3 years	—	361	2,575	804
Over 3 years	—	28	20	1,650
Total	15,132	18,473	31,209	53,762

We calculate inventory turnover days using the average of the beginning and ending balances of total inventories and other contract costs for a period, divided by the corresponding cost of revenue for the same period, multiplied by the number of days in such period, which is 360 days for each year or 180 days for the six months period. Our inventory turnover days were 44 days, 53 days, 72 days and 240 days in 2023, 2024, 2025 and the six months ended June 30, 2026. The increase during the Track Record Period was primarily due to our business expansion which elevated the inventory level. The further increase to 240 days for the six months ended June 30, 2026 primarily reflected the seasonality of our business, as project delivery, customer acceptance and the corresponding revenue recognition are generally more concentrated in the second half of the year. Notwithstanding such seasonality, this represented an improvement over the corresponding period in 2025.

As of July 31, 2026, RMB1.9 million, or 3.5%, of our inventories and other contract costs as of June 30, 2026 had been subsequently settled. We consider that sufficient impairment has been made for long-aged inventories and other contract costs. In particular, long-aged inventory items with a gross carrying amount of RMB7.4 million as of December 31, 2023, which were identified to be obsolete, were fully written down to their net realisable value, and the provision in respect of such items remained unchanged as of December 31, 2024, 2025, and June 30, 2026. The write-down of inventories and other contract costs amounted to RMB7.9 million, RMB7.9 million, RMB8.0 million and RMB8.2 million as of December 31, 2023, 2024 and 2025, and June 30, 2026, respectively, remained relatively stable, while written-down for the remaining inventories and other contract costs were assessed based on the differences between net realisable value and cost of such items and no material impairment indicators were identified during the Track Record Period.

FINANCIAL INFORMATION

Trade and Bills Receivables

Our trade and bills receivables mainly represent the outstanding amounts due from our customers for sales of our solutions. The following table sets forth our trade and bills receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	141,403	150,829	192,119	147,832
Bills receivables	–	101	684	901
Less: loss allowance	(23,857)	(25,097)	(31,667)	(39,276)
Total trade and bills receivables	117,546	125,833	161,136	109,457

Our trade and bills receivables increased from RMB117.5 million as of December 31, 2023 to RMB125.8 million as of December 31, 2024, to RMB161.1 million as of December 31, 2025. Our trade and bills receivables decreased to RMB109.5 million as of June 30, 2026, primarily due to the collection of outstanding receivables, particularly those arising from projects delivered and accepted toward the end of 2025, supported by our enhanced receivables management and collection efforts, notwithstanding our continued business growth.

We generally grant credit terms of approximately one to two months to our customers for each payment milestone upon satisfaction of the relevant payment conditions and receipt of invoice. For customers in the financial services sector, which generally comprise securities companies, banks, futures companies, trust companies, insurance companies and other financial institutions, typically have established but multi-layered internal procurement, budget, acceptance, invoicing and payment approval procedures. In particular, digitalisation-related projects of financial institutions and large enterprise customers in China commonly involve coordination among multiple internal functions, including business, technology, procurement, finance and internal review functions, before the relevant customers complete invoicing and payment arrangements.

Pursuant to our relevant contractual arrangements, customers in the financial services sector generally arrange payment after receiving the invoice issued by us for the relevant payment milestone. Accordingly, after the customer completes acceptance and issues the acceptance report, we are still required to coordinate with the customer’s internal invoicing notice, budget confirmation, invoice processing and payment approval procedures before issuing invoices and arranging collection. Such procedures are generally administrative and procedural in nature, and may result in a longer period from acceptance to invoicing and final collection even where we have completed delivery and the relevant customer has accepted the software or services.

The relevant cycles of our customers in the financial services industry during the Track Record Period are set out below:

Period measured	Average period	Industry average period ⁽¹⁾	Longest period ⁽²⁾
Acceptance-to-invoice period, being the period from the issuance of the relevant acceptance report to the issuance of the corresponding invoice	Approximately within 6.0 months	Approximately 4 to 7 months	29 months

FINANCIAL INFORMATION

Period measured	Average period	Industry average period ⁽¹⁾	Longest period ⁽²⁾
Invoice-to-settlement period, being the period from the issuance of the corresponding invoice to the receipt of the corresponding payment amount	Approximately within 1.5 months	Approximately 1 to 3 months	14 months
Acceptance-to-settlement period, being the period from the issuance of the relevant acceptance report to the issuance of the relevant invoice to the receipt of the corresponding payment amount	Approximately within 6.5 months	Approximately 4 to 9 months	48 months

Notes:

1. According to Frost & Sullivan;
2. The longest periods set out above represent isolated exceptional cases and are not representative of the Group’s normal invoicing or settlement cycle. The relevant payment amounts have all been received in full.

To provide a more complete view of the timing of invoicing and settlement, the following supplementary cumulative timing analysis is also set out below:

Cumulative timing measure	Within 6 months	Within 12 months
Invoicing in connection with customer acceptance	78.8%	96.9%
Settlement in connection with invoice issuance	94.2%	99.5%
Settlement in connection with customer acceptance	78.2%	96.9%

The above statistics indicate that the timing of invoicing and settlement of our customers in the financial services sector was generally manageable. For payment items in connection with customer acceptance, the relatively longer overall period principally reflected the time required for the relevant customers’ acceptance-related internal procedures, rather than a generally prolonged invoice-to-settlement period. The longest periods above were mainly attributable to a small number of historical projects or projects involving individual customers with relatively lengthy internal procedures, and do not represent our general settlement position with customers in the financial services sector.

According to Frost & Sullivan, in China, enterprise software and IT solution providers serving financial institutions and large state-owned or enterprise customers commonly experience relatively lengthy post-acceptance invoicing and payment cycles, primarily because such customers typically follow formal budget, audit or review, invoice processing and payment approval procedures. Frost & Sullivan further confirmed that our average payment cycle from invoice issuance to collection for customers in the financial services sector is in line with industry practice, and the overall period from acceptance to final collection falls within a reasonable industry range and is generally favourable as compared with the industry average.

The following table sets forth the aging analysis of our trade and bills receivables based on acceptance date as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within 1 year	88,007	95,608	116,304	84,849
1 to 2 years	23,257	17,713	30,298	15,752

FINANCIAL INFORMATION

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
2 to 3 years	6,048	9,609	9,797	6,062
3 to 4 years	234	2,897	3,980	2,521
4 to 5 years	—	6	757	273
Total	117,546	125,833	161,136	109,457

To supplement the ageing analysis based on acceptance date above, the following table sets forth our trade receivables by due date as of the dates indicated. The due dates were determined based on the relevant contractual payment milestones, invoicing or payment conditions and applicable credit periods. Balances under collective assessment and individual assessment are separately presented.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Under collective assessment				
Unbilled/current	89,674	96,505	103,547	38,067
Within 1 year	27,849	24,039	43,674	61,975
1 to 2 years	5,573	9,368	18,840	10,949
2 to 3 years	1,298	3,476	6,837	5,580
3 to 4 years	297	830	1,547	712
4 to 5 years	—	—	54	308
Over 5 years	231	231	—	24
Subtotal	124,922	134,449	174,499	117,615
Under individual assessment	16,481	16,481	18,304	31,118
Less: loss allowance	(23,857)	(25,097)	(31,667)	(39,276)
Total	117,546	125,833	161,136	109,457

Based on the above supplemental ageing analysis prepared by due date, the trade and bills receivables aged over one year under collective assessment increased from RMB7.4 million as at December 31, 2023 to RMB13.9 million as at December 31, 2024, and further to RMB27.3 million as at December 31, 2025, and amounted to RMB17.6 million as at June 30, 2026. While the expansion of our project-based business increased the relevant trade and bills receivables base, the increase from December 31, 2024 to December 31, 2025 reflected the combined effect of (i) the timing of settlement of certain pre-existing receivables, particularly in light of the internal acceptance, invoicing and payment approval procedures of certain customers, and (ii) additional receivables arising from the expansion of our project-based business during 2025. Project-based contracts generally involve larger contract amounts, multiple payment milestones, customer acceptance, invoicing arrangements and customers' internal payment approval procedures. In addition, customers in the financial services sector generally have relatively lengthy internal budget, invoicing, payment application and approval procedures. These factors resulted in certain pre-existing receivables remaining unsettled during 2025 while additional receivables arose from new payment milestones, thereby contributing to the increase in trade and bills receivables aged over one year by due date as at December 31, 2025. Since early 2026, we have continued to strengthen our receivables management, reconciliation and collection follow-up in respect of outstanding receivables, and the trade and bills receivables aged over one year by due date under collective assessment decreased to RMB17.6 million as at June 30, 2026. Among the principal amounts of our trade and bills receivables aged over one year by due date under collective assessment, RMB5.2 million, RMB9.6 million, RMB19.6 million and RMB14.7 million, representing approximately 70.5%, 69.1%, 71.9% and 83.4%, respectively, as at December 31, 2023, 2024 and 2025 and June 30, 2026, were attributable to customers in the financial services sector. Such balances were mainly attributable to the relevant customers' internal invoicing arrangements, payment approval procedures and centralised payment arrangements.

FINANCIAL INFORMATION

Balances under individual assessment were separately presented and had been fully provided for in the Accountants’ Report. Such balances mainly related to special circumstances of individual customers, including receivables related to litigation matters disclosed in the section headed “Business — Legal Proceedings.” Having considered the relevant customers’ litigation status, repayment status and other facts and circumstances affecting recoverability, the Group had made full impairment provision for the relevant individually assessed balances.

We calculate trade and bills receivables turnover days using the average of the beginning and ending balances of total trade and bills receivables for a period, divided by the corresponding total revenue for the same period, multiplied by the number of days in such period, which is 360 days for each year or 180 days for six months period. Our trade and bills receivables turnover days were 182 days, 179 days, 201 days and 373 days in 2023, 2024, 2025 and the six months ended June 30, 2026. The increase from 179 days in 2024 to 201 days in 2025 was primarily due to certain of our customers from the financial services sector temporarily prolonged their internal approval procedures and resulted in longer contract-to-cash cycles. The further increase to 373 days for the six months ended June 30, 2026 primarily reflected the seasonality of our business, as project delivery, customer acceptance and the corresponding revenue recognition are generally more concentrated in the second half of the year. Notwithstanding such seasonality, this represented an improvement over the corresponding period in 2025.

As of July 31, 2026, RMB12.5 million, or 10.9%, of our trade and bills receivables as of June 30, 2026 had been subsequently settled. We did not experience and do not foresee any material recoverability issue with our trade and bills receivables based on our evaluation of the historical credit standing and the credit records of our customers, which are generally private or state-owned enterprises with strong economic performance and credit history. We will continue to strengthen our management in trade receivables and improve the collection rate in the future. We also consider that sufficient impairment provision has been made for long-aged trade and bills receivables. Certain long-aged balances represented retention amounts that were not yet due until the expiry of the warranty period, and, taking into account our Group’s historical collection record, as well as the strong credit profiles of its major customers, our Directors consider that sufficient impairment provision had been made notwithstanding the relatively low subsequent settlement of certain balances. During the Track Record Period and up to the Latest Practicable Date, we did not have any material recoverability issue for our trade receivables and sufficient provisions have been made.

Contract Assets

Our contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL and are reclassified to receivables when the right to the consideration has become unconditional. For detailed accounting policies and treatments, see notes 2(t)(i), 2(i)(i), and 2(l) in Accountants’ Report set out in Appendix I to this Document. The following table sets forth our contract assets as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Contract assets	5,303	8,044	7,683	7,923
Less: loss allowance	(196)	(373)	(478)	(554)
Total contract assets	<u>5,107</u>	<u>7,671</u>	<u>7,205</u>	<u>7,369</u>

FINANCIAL INFORMATION

Our contract assets increased from RMB5.1 million as of December 31, 2023 to RMB7.7 million as of December 31, 2024, primarily due to business growth resulting in the corresponding increases in both contract assets and trade receivables. Our contract assets remained relatively stable at RMB7.2 million as of December 31, 2025. As of June 30, 2026, our contract assets remained relatively stable at RMB7.4 million.

As of July 31, 2026, RMB101.7 thousand, or 1.3% of our contract assets as of June 30, 2026 had been subsequently settled.

Financial assets measured at fair value through profit or loss (“FVTPL”)

Our financial assets measured at FVTPL primarily consist of structured deposits, structured notes, and other wealth management products. Such investment in the financial assets measured at FVTPL shall be subject to compliance with Chapter 14 of the Listing Rules upon [REDACTED]. Below sets forth our financial assets measured at FVTPL as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	June 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
Structured deposits	15,021	195,593	30,049	127,230
Structured notes	–	20,046	20,116	–
Other wealth management products	50,162	25,474	15,322	25,088
Total financial assets measured at FVTPL	65,183	241,113	65,487	152,318

We make investment decisions case-by-case after thoroughly considering a number of factors, including but not limited to the macroeconomic environment, general market conditions, the investment risk management, sources of investment, and the expected profit or potential loss of the investment. To monitor and control the potential risks associated with our investment portfolio, we have adopted internal procedures to manage our investment. We adopt a prudent and riskbased approach in managing our financial investments classified as financial assets measured at fair value through profit or loss. Our investment policy is designed to balance return on funds with safety and liquidity. Our day-to-day investment activities are carried out by our finance team with relevant professional experience and are subject to sound internal control procedures, including segregation of duties, monitoring of risk limits and independent valuation. The Audit Committee, on behalf of the Board, reviews the relevant investment activities, performance and risk reports on a quarterly basis. Any material investment beyond management’s authorised limits or involving higher-risk instruments is subject to prior approval by the Board.

Our financial assets measured at FVTPL increased significantly to RMB241.1 million as of December 31, 2024, primarily due to an increase in our purchase of structured deposits. Our financial assets measured at FVTPL decreased to RMB65.5 million as of December 31, 2025, primarily due to the maturity of our wealth management products. Our financial assets measured at FVTPL increased significantly to RMB152.3 million as of June 30, 2026, primarily due to an increase in our purchases of structured deposits as part of our treasury management.

FINANCIAL INFORMATION

Prepayments, other receivables and other assets

Our prepayments, other receivables and other assets primarily consist of prepaid service fees, receivables from third parties, and rentals and deposits. As of December 31, 2023, 2024, 2025 and June 30, 2026, our prepayments amounted to RMB53.7 million, RMB9.1 million, RMB20.0 million and RMB18.7 million, respectively. The significant decrease in 2024 was primarily due to the maturity of our income certificate bought in 2023. The significant increase in 2025 was primarily due to the increase in capitalised [REDACTED].

Trade Payables

Our trade payables primarily represented (i) amounts due to third parties; and (ii) amounts due to related parties. The following table sets forth a breakdown of our trade payables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts due to third parties	11,997	20,679	36,763	30,584
Amounts due to related parties	63	—	182	26
Total trade payables	12,060	20,679	36,945	30,610

Our trade payables significantly increased from RMB12.1 million as of December 31, 2023 to RMB20.7 million as of December 31, 2024 and further to RMB36.9 million as of December 31, 2025, primarily due to an increase in outsourcing labor costs, mainly in relation with the on-premise deployment and implement of our solutions. Our trade payables decreased to RMB30.6 million as of June 30, 2026, primarily due to the settlement of outstanding amounts due to suppliers in accordance with the relevant payment schedules. The following table sets forth the aging analysis of our trade payables based on the invoice date as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	11,980	19,985	35,503	29,063
1 year to 2 years	80	614	1,169	1,467
2 years to 3 years	—	80	273	22
3 years to 4 years	—	—	—	58
Total	12,060	20,679	36,945	30,610

We calculate trade payables turnover days using the average of the beginning and ending balances of total trade payables for a period, divided by the corresponding cost of revenue for the same period, multiplied by the number of days in such period, which is 360 days for each year. Our trade payables turnover days were 22 days, 51 days, 83 days and 191 days in 2023, 2024, 2025 and in the six months ended June 30, 2026. The increases from 2023 to 2025 was primarily due to payables to suppliers in relation to ongoing construction of our office building and outsourcing deployment service providers. The further increase for the six months ended

FINANCIAL INFORMATION

June 30, 2026 primarily reflected the seasonality of our business, as project delivery, customer acceptance and the corresponding recognition of revenue and cost of revenue are generally more concentrated in the second half of the year.

As of July 31, 2026, RMB1.8 million, or 17.7%, of our trade payables as of June 30, 2026 had been subsequently settled.

Other payables, accruals and other liabilities

Our other payables, accruals and other liabilities primarily consist of salary and welfare payables, payables for VAT and surcharges, and payments to our channel partners. As of December 31, 2023, 2024, 2025 and June 30, 2026, our other payables, accruals and other liabilities amounted to RMB42.9 million, RMB41.3 million, RMB78.2 million and RMB42.2 million, respectively. Our other payables, accruals and other liabilities remained relatively stable in 2024. The increase in 2025 was primarily due to an increase in accrued [REDACTED].

Provisions

Our provisions primarily represent reserves for potential warranty expenses. Our provisions increased from RMB7.2 million as of December 31, 2023 to RMB8.5 million as of December 31, 2024, and decreased to RMB8.0 million as of December 31, 2025, primarily reflecting our continued improvement in product quality and enhanced control over warranty-related risks. Our provisions significantly decreased to RMB2.0 million as of June 30, 2026, primarily due to the utilisation of provisions as warranty services were provided during the relevant free maintenance periods, partially offset by additional provisions made during the period.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

During the Track Record Period and up to the Latest Practicable Date, we have funded our cash requirements principally from cash generated from our operating activities and financing activities. As of December 31, 2023, 2024, 2025 and June 30, 2025 and 2026, we had cash and cash equivalents of RMB204.4 million, RMB93.3 million, RMB141.0 million, RMB90.0 million and RMB71.9 million, respectively. The following table sets forth our cash flows for the year/period indicated.

	Year ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Net cash used in operating activities	(56,670)	(26,486)	(59,160)	(75,022)	(65,208)
Net cash (used in)/ generated from investing activities .	(255,381)	(102,892)	55,290	49,345	(8,429)

FINANCIAL INFORMATION

	Year ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Net cash generated from financing activities	<u>12,527</u>	<u>18,349</u>	<u>51,533</u>	<u>22,336</u>	<u>4,443</u>
Net (decrease)/increase in cash and cash equivalents	(299,524)	(111,029)	47,663	(3,341)	(69,194)
Cash and cash equivalents at the beginning of the year/period	503,916	204,394	93,330	93,330	140,970
Effect of foreign exchange rate changes	<u>2</u>	<u>(35)</u>	<u>(23)</u>	<u>(5)</u>	<u>115</u>
Cash and cash equivalents at the end of the year/period	<u>204,394</u>	<u>93,330</u>	<u>140,970</u>	<u>89,984</u>	<u>71,891</u>

Net Cash Used in Operating Activities

For the six months ended June 30, 2026, we had net cash used in operating activities of RMB65.2 million, which primarily represents loss before taxation of RMB109.4 million, adjusted by (i) non-cash and non-operating items, which primarily consist of share-based payment expenses of RMB38.0 million, changes in carrying amounts of redemption liabilities of RMB12.7 million and impairment losses on financial assets and contract assets, net of RMB10.9 million, partially offset by interest income from time deposits of RMB1.9 million and realised gains from financial assets measured at fair value through profit or loss of RMB1.5 million, and (ii) movements in working capital, mainly consisting of (x) a decrease in trade and bills receivables of RMB40.8 million and (y) an increase in contract liabilities of RMB8.7 million, partially offset by (x) a decrease in other payables, accruals and other liabilities of RMB36.0 million, (y) an increase in inventories and other contract costs of RMB24.5 million, and (z) a decrease in provisions of RMB8.1 million.

For the six months ended June 30, 2025, we had net cash used in operating activities of RMB75.0 million, which primarily represents loss before taxation of RMB115.9 million, adjusted by (i) non-cash and non-operating items, which primarily consist of changes in carrying amounts of redemption liabilities of RMB74.7 million, partially offset by interest income from time deposits of RMB2.9 million and realised gains from financial assets measured at fair value through profit or loss of RMB2.3 million, and (ii) movements in working capital, mainly consisting of (x) an increase in inventories and other contract costs of RMB30.1 million, (y) an increase in prepayments, other receivables and other assets of RMB11.3 million, and (z) a decrease in other payables, accruals and other liabilities of RMB13.3 million, partially offset by (x) a decrease in trade and bills receivables of RMB23.6 million, (y) a decrease in other non-current assets of RMB6.9 million, and (z) an increase in contract liabilities of RMB3.5 million.

FINANCIAL INFORMATION

In 2025, we had net cash used in operating activities of RMB59.2 million, which primarily represents loss before taxation of RMB346.9 million, adjusted by (i) non-cash and non-operating items, which primarily consist of interest income from time deposits of RMB4.5 million and realised gains from financial assets measured at fair value through profit or loss of RMB3.3 million, partially offset by changes in carrying amounts of redemption liabilities of RMB278.3 million, and (ii) movements in working capital, mainly consisting of (x) an increase in trade and bills receivables of RMB42.4 million, (y) an increase in restricted cash of RMB20.4 million, and (z) an increase in inventories and other contract costs of RMB13.0 million, partially offset by (x) an increase in trade payables of RMB16.3 million, and (y) a decrease in other non-current assets of RMB15.1 million.

In 2024, we had net cash used in operating activities of RMB26.5 million, which primarily represents loss before taxation of RMB122.9 million, adjusted by (i) non-cash and non-operating items, which primarily consist of interest income from time deposits of RMB6.2 million and realized gains from financial assets measured at fair value through profit or loss of RMB3.6 million, partially offset by changes in carrying amounts of redemption liabilities of RMB119.3 million, and (ii) movements in working capital, mainly consisting of (x) an increase in other non-current assets of RMB10.7 million, (y) an increase in trade and bills receivables of RMB9.9 million, and (z) provisions utilized of RMB6.4 million, partially offset by an increase in trade payables of RMB8.6 million.

In 2023, we had net cash used in operating activities of RMB56.6 million, which primarily represents loss before taxation of RMB64.8 million, adjusted by (i) non-cash and non-operating items, which primarily consist of (x) fair value changes in financial assets of RMB0.5 million, and (y) realized gains from financial assets measured at fair value through profit or loss of RMB0.4 million, partially offset by (x) impairment losses on financial assets and contract assets, net of RMB8.7 million, and (y) expense on share-based compensation of RMB8.3 million, and (ii) movements in working capital, mainly consisting of (x) an increase in trade and bills receivables of RMB24.2 million, and (y) an increase in inventories and other contract costs of RMB5.3 million, partially offset by (x) an increase in trade payables of RMB8.3 million, (y) a decrease in prepayments, other receivables and other assets of RMB5.4 million, and (z) an increase in contract liabilities of RMB4.9 million.

Our net cash used in operating activities decreased from RMB56.6 million in 2023 to RMB26.5 million in 2024, primarily due to increased operating cash inflows generated by our expanding customer base and broader customer adoption of our solutions. Our enhanced market recognition and ongoing product enhancements supported revenue growth and, in turn, increased cash receipts from customers. Our net cash used in operating activities then increased to RMB59.2 million in 2025, primarily due to our increased investment in research and development as we expanded into AI-related technologies and solutions. Such investment included increased expenditure on research and development personnel and computing resources to enhance our solution capabilities, together with the increased working capital requirements associated with the expansion of our business.

To improve our operating cash flow position, we plan to increase operating cash inflows and reduce operating cash outflows through a combination of receivables management, revenue mix optimization, working capital management and stricter cost control measures. In particular, we plan to strengthen our receivables collection efforts, increase sales of more standardized solutions, better align certain payment schedules with customer payment milestones where practicable to improve cash conversion, and exercise stricter control over project costs and operating expenses, including reducing non-essential expenditures. We expect that these measures will progressively improve our operating cash flow position.

FINANCIAL INFORMATION

Net Cash (Used in)/Generated from Investing Activities

For the six months ended June 30, 2026, we had net cash used in investing activities of RMB8.4 million, primarily attributable to (i) payment for purchase of wealth management products of RMB592.0 million and (ii) purchase of property, plant and equipment and intangible assets of RMB23.5 million, partially offset by (i) [REDACTED] from redemption of wealth management products of RMB506.5 million and (ii) [REDACTED] from maturity of time deposits of RMB100.6 million.

For the six months ended June 30, 2025, we had net cash generated from investing activities of RMB49.4 million, primarily attributable to proceeds from redemption of wealth management products of RMB397.4 million and proceeds from maturity of time deposits of RMB40.4 million, partially offset by (i) payment for purchase of wealth management products of RMB240.0 million, (ii) purchase of time deposits of RMB120.0 million and (iii) purchase of property, plant and equipment and intangible assets of RMB28.5 million.

In 2025, we had net cash generated from investing activities of RMB55.3 million, primarily attributable to proceeds from redemption of wealth management products of RMB588.4 million and proceeds from maturity of time deposits of RMB232.4 million, partially offset by payment for purchase of wealth management products of RMB410.0 million and purchase of time deposits of RMB290.0 million.

In 2024, we had net cash used in investing activities of RMB102.9 million, primarily attributable to (i) payment for purchase of wealth management products of RMB752.7 million and (ii) purchase of time deposits of RMB222.0 million, partially offset by (i) proceeds from redemption of wealth management products of RMB632.2 million and (ii) proceeds from maturity of time deposits of RMB274.0 million.

In 2023, we had net cash used in investing activities of RMB255.4 million, primarily attributable to (i) purchase of time deposits of RMB307.0 million and (ii) payment for purchase of wealth management products of RMB180.0 million, partially offset by (i) proceeds from maturity of time deposits of RMB169.5 million and (ii) proceeds from redemption of wealth management products of RMB85.4 million.

Net Cash Generated from Financing Activities

For the six months ended June 30, 2026, we had net cash generated from financing activities of RMB4.4 million, primarily attributable to proceeds from borrowings of RMB8.7 million and capital contribution by investors, net of transaction costs paid, of RMB2.2 million, partially offset by (i) payment of [REDACTED] of RMB2.9 million, (ii) capital element of lease rentals paid of RMB2.5 million and (iii) interest paid of RMB1.0 million.

For the six months ended June 30, 2025, we had net cash generated from financing activities of RMB22.3 million, primarily attributable to proceeds from borrowings of RMB25.2 million, partially offset by capital element of lease rentals paid of RMB2.2 million.

In 2025, we had net cash generated from financing activities of RMB51.5 million, primarily attributable to proceeds from borrowings of RMB39.4 million and capital contribution by investors, net of transaction costs paid of RMB19.6 million, partially offset by capital element of lease rentals paid of RMB4.8 million.

FINANCIAL INFORMATION

In 2024, we had net cash generated from financing activities of RMB18.3 million, primarily attributable to proceeds from borrowings of RMB25.2 million, partially offset by capital element of lease rentals paid of RMB6.7 million.

In 2023, we had net cash generated from financing activities of RMB12.5 million, primarily attributable to capital contribution by investors of RMB19.1 million, partially offset by capital element of lease rentals paid of RMB6.2 million.

Cash Operating Costs

Below sets forth key information relating to our cash operating costs for the years/periods indicated:

	Year ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Research and development costs ⁽¹⁾	53,532	53,880	67,011	30,735	34,809
Workforce employment ⁽²⁾	99,682	88,105	80,704	23,107	26,647
Direct production costs, including materials ⁽³⁾	19,598	22,759	42,577	5,668	9,040
Product marketing ⁽⁴⁾	59,647	66,503	67,952	28,402	36,226
Administration cost ⁽⁵⁾	28,279	28,025	42,841	11,331	15,085
Non-income taxes, royalties, and other governmental charges ⁽⁶⁾	14,991	19,045	16,818	8,263	(6,165)
Total	<u>275,729</u>	<u>278,317</u>	<u>317,903</u>	<u>107,506</u>	<u>115,642</u>

Notes:

- (1) Research and development costs under cash operating costs represent research and development expenses (excluding non-cash items under research and development expenses) adjusted by changes in working capital relating to research and development activities as of the previous and current year/period end.
- (2) Cash operating costs relating to workforce employment represent the sum of employee benefit expenses under costs of revenue adjusted by changes in working capital relating to employee benefit expenses as of previous and current year/period end under the above operating expenses.
- (3) Cash operating costs relating to direct production costs, including materials, represent the cost of revenue (excluding employee benefit expenses and non-cash items under contract fulfillment costs) adjusted by changes in working capital relating to service as of the previous and current year/period end.
- (4) Cash operating costs relating to product marketing represent the selling and distribution expenses (excluding non-cash items under selling and distribution expenses) adjusted by changes in working capital relating to sales and distribution activities as of the previous and current year/period end.
- (5) Cash operating costs relating to administration represent the administrative and other expenses (excluding non-cash items under administrative and other expenses) adjusted by changes in working capital relating to administrative and other activities as of previous and current year/period end.
- (6) Cash operating costs relating to non-income taxes, royalties and other governmental charges mainly represent payment of VAT, stamp duty, taxes and surcharges.

FINANCIAL INFORMATION

INDEBTEDNESS

As of December 31, 2023, 2024, 2025, June 30, 2026 and July 31, 2026, our indebtedness included redemption liabilities, borrowings, and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current					
Redemption liabilities	1,715,412	1,834,672	2,112,994	2,125,740	2,125,740
Lease liabilities	5,042	2,003	2,840	3,632	3,444
Non-current					
Borrowings	—	25,247	64,678	73,379	73,669
Lease liabilities	1,118	359	2,283	3,480	3,407
Total	1,721,572	1,862,281	2,182,795	2,206,231	2,206,260

Redemption Liabilities

Our indebtedness includes redemption liabilities relating to shares held by certain pre-[REDACTED] investors that come with certain special rights, including right of preference upon liquidation, redemption rights, and anti-dilution rights. As of December 31, 2023, 2024, 2025, June 30, 2026 and July 31, 2026, being the most recent practicable date for determining our indebtedness, our redemption liabilities amounted to RMB1,715.4 million, RMB1,834.7 million, RMB2,113.0 million, RMB2,125.7 million and RMB2,125.7 million, respectively. For details about these special rights, please see “History, Development and Corporate Structure — Details of the Pre-[REDACTED] Investments — Special Rights granted to the Pre-[REDACTED] Investors.” For details about the redemption liabilities including their movements during the Track Record Period, please see note 23 of Accountants’ Report set out in Appendix I to this Document.

Borrowings

As of December 31, 2023 and 2024, 2025, June 30, 2026 and July 31, 2026, we had borrowings of nil, RMB25.2 million, RMB64.7 million, RMB73.4 million and RMB73.7 million, respectively, all of which were guaranteed. During the Track Record Period, the interest rate of bank loans with fixed-rate ranged from 2.85% to 3.30%. The interest rate of bank loans in relation to our projects with floating-rate was related to PRC Loan-Prime-Rate. Please see note 24 of the Accountants’ Report in Appendix I to this Document. As of July 31, 2026, our committed unutilized banking facilities amounted to RMB105.0 million.

Lease Liabilities

Our lease liabilities represented the outstanding lease payments primarily in respect of our leased buildings and properties. The following table sets out our lease liabilities as of the dates indicated.

FINANCIAL INFORMATION

	As of December 31,			As of June 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current portion	5,042	2,003	2,840	3,632	3,444
Non-current portion . .	1,118	359	2,283	3,480	3,407
Total	6,160	2,362	5,123	7,112	6,851

Our lease liabilities were primarily related to our office leases. Our lease liabilities were RMB6.2 million, RMB2.4 million, RMB5.1 million, RMB7.1 million and RMB6.9 million as of December 31, 2023, 2024, 2025, June 30, 2026 and July 31, 2026, respectively. The significant decrease in 2024 was primarily due to the reduction in office rental of our branches. Our lease liabilities increased significantly to RMB5.1 million as of December 31, 2025 due to the renewal of certain lease agreements in late 2024, coupled with our additional long-term leases. Our lease liabilities increased to RMB7.1 million as of June 30, 2026, primarily due to our additional long-term leases. Our lease liabilities decreased to RMB6.9 million as of July 31, 2026, primarily due to the amortization recognized during the period.

Indebtedness Statement

Save as disclosed above, as of December 31, 2023, 2024, 2025, June 30, 2026, and July 31, 2026, we did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings and other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities. During the Track Record Period and up to the Latest Practicable Date, our outstanding debt was not subject to any material covenants, and we did not have any breach of debt covenants or experience any difficulties in obtaining additional debt or equity financing as a result of any such breach. Our Directors confirm that there has not been any material change in our indebtedness since July 31, 2026, being the latest practicable date for the purpose of the indebtedness statement, and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024, 2025 and June 30, 2026, we did not have any material contingent liabilities.

CAPITAL COMMITMENTS

Our capital commitments mainly represent acquisition of property, plant and equipment for which we have contracted but have not provided for. As of December 31, 2023, 2024, 2025 and June 30, 2025 and 2026, our capital commitment amounted to RMB18.7 million, RMB91.6 million, RMB46.7 million, RMB66.4 million and RMB29.3 million.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Please see note 31 to the Accountants' Report in Appendix I to this Document. As of June 30, 2026, the balances with related parties are trade in nature. Our Directors believe that these transactions were conducted in the ordinary and usual course of business, and did not distort our results of operations or make our historical results unreflective of our future performance.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/period indicated.

	As of/For the year ended December 31,			As of/ For the six months ended June 30,
	2023	2024	2025	2026
Gross profit margin ⁽¹⁾ (%) . . .	41.5	53.4	51.6	51.1
Adjusted net loss margin (non-IFRS measure) ⁽²⁾ (%)	22.6	1.2	10.6	87.2
Gearing ratio ⁽³⁾ (%)	159.2	154.7	144.6	139.7

Notes:

- (1) Represents gross profit for the period divided by revenue for the same period, expressed as a percentage.
- (2) Represents loss for the year/period adjusted for adding back listing expenses, share-based payment expenses and changes in the carrying amount of redemption liabilities divided by revenue for the same year/period, expressed as a percentage.
- (3) Calculated by dividing total indebtedness by total equity as of the end of the year/period multiplied by 100%.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any material off-balance sheet arrangements.

R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our R&D expenditure primarily consisted of R&D expenses adjusted by intangible asset acquired from third parties and capitalized, and amortization expenses of capitalized intangible assets included in R&D expenditure. The table below sets forth our annual and total R&D expenditure for the years/periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
R&D expenses	55,380	55,730	78,773	31,607	42,527
Adjustments:					
Add: Intangible asset acquired from third parties and capitalized ⁽³⁾	19	–	513	–	262
Less: Amortization expense of capitalized intangible assets included in R&D expenditure	(102)	(106)	(115)	(53)	(122)
Annual R&D expenditure	<u>55,297</u>	<u>55,624</u>	<u>79,171</u>	<u>31,554</u>	<u>42,667</u>
Total R&D expenditure			<u>190,092⁽¹⁾</u>		<u>232,759⁽²⁾</u>

FINANCIAL INFORMATION

Note:

- (1) Total R&D expenditure for the three financial years prior to [REDACTED].
- (2) Total R&D expenditure over the Track Record Period.
- (3) Primarily related to software procured from third parties for our R&D activities.

Below sets forth our annual and total operating expenditure for the years/periods indicated.

	Year ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
R&D expenses	55,380	55,730	78,773	31,607	42,527
Selling and distribution expenses . .	63,050	68,134	74,444	29,208	59,955
Administrative and other expenses .	36,537	29,716	54,214	12,031	24,096
Adjustments:					
Add: Intangible asset acquired from third parties and capitalized	19	–	513	–	262
Less: Amortization expense of capitalized intangible assets included in R&D expenditure	(102)	(106)	(115)	(53)	(122)
Annual operating expenditure . . .	<u>154,884</u>	<u>153,474</u>	<u>207,829</u>	<u>72,793</u>	<u>126,718</u>
Total operating expenditure			<u>516,187⁽¹⁾</u>		<u>642,905⁽²⁾</u>

Note:

- (1) Total operating expenditure for the three financial years prior to [REDACTED].
- (2) Total operating expenditure over the Track Record Period.

The table below sets forth our annual R&D expenditure ratio and the total R&D expenditure ratio for the years/periods indicated.

	Year ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Annual R&D expenditure ratio⁽¹⁾ (%)	<u>35.7</u>	<u>36.2</u>	<u>38.1</u>	<u>43.3</u>	<u>33.7</u>
Total R&D expenditure ratio (%)			<u>36.8⁽²⁾</u>		<u>36.2⁽³⁾</u>

Notes:

- (1) Calculated by dividing annual R&D expenditure by annual total operating expenditure.
- (2) Calculated by dividing total R&D expenditure for the three financial years prior to [REDACTED] by total operating expenditure for the three financial years prior to [REDACTED].
- (3) Calculated by dividing total R&D expenditure over the Track Record Period by total operating expenditure over the Track Record Period.

FINANCIAL INFORMATION

CAPITAL EXPENDITURE

Our capital expenditures during the Track Record Period primarily consisted of purchases of property, plant and equipment. Our capital expenditures were RMB10.6 million, RMB34.4 million, RMB65.5 million, RMB28.5 million and RMB23.5 million as of December 31, 2023, 2024, 2025 and June 30, 2025 and 2026, respectively.

We will continue to make capital expenditures to meet the expected growth of our business and our expansion plan. Please see “Future Plans and Use of [REDACTED] — Use of [REDACTED].” We intend to fund our future capital expenditures with financial resources available to us, including our existing cash balance, cash generated from our operation activities and [REDACTED] from the [REDACTED].

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT FINANCIAL RISKS

We are exposed to a variety of financial risks, including credit, liquidity, currency, and interest rate risks. Our overall risk management strategy seeks to minimize potential adverse effects of the aforesaid risks on our financial performance. For details, please see note 29 to the Accountants’ Report in Appendix I to this document.

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, no dividend was declared or paid by us. As of the Latest Practicable Date, we had not established a formal dividend policy or specified dividend pay-out ratio. After completion of the [REDACTED], our Shareholders will be entitled to receive any dividends we declare. We may distribute dividends by way of shares or cash, or a combination of both shares and cash. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC Law and approval by our Shareholders.

We intend to distribute cash dividends to our Shareholders at least on an annual basis, subject to the discretion of our Directors in accordance with our Articles of Association and the applicable laws and regulations in the PRC and Hong Kong. As advised by our PRC Legal Adviser, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. Taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. Our future declarations of dividends may not be in line with our historical declaration of dividends and will be subject to the approval of our Shareholders. See “Risk Factors — Risks Relating to the [REDACTED] — We cannot assure you that we will declare and distribute any amount of dividends in the future.”

DISTRIBUTABLE RESERVES

As of June 30, 2026, we did not have any distributable reserves.

FINANCIAL INFORMATION

WORKING CAPITAL SUFFICIENCY

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

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) purchase of property, plant and equipment and intangible assets and leasehold land, and (iii) lease payments. Our historical cash burn rate was RMB7.2 million, RMB5.7 million, RMB10.8 million for the years ended December 31, 2023, 2024 and 2025, respectively, mainly representing our investment in R&D activities and business operations. During the Track Record Period, we recorded expenditure in purchases of property, plant and equipment primarily due to our procurement and lease of computing hardware and offices, for the operation activities and R&D activities in line with our business expansion.

We had cash and cash equivalents on hand of RMB71.9 million as of June 30, 2026. We estimate that we will receive [REDACTED] of [REDACTED] after deducting the [REDACTED] and other estimated [REDACTED] expenses payable by us in connection with the [REDACTED], assuming no [REDACTED] is exercised and assuming an [REDACTED] of [REDACTED] per [REDACTED], being the midpoint of the indicative [REDACTED] range in this document.

Assuming that the average cash burn rate going forward will be RMB10.8 million, similar to the cash burn rate level for the year ended December 31, 2025 based on the underlying assumptions that (i) the number of our employees will not increase significantly, particularly in the R&D department; (ii) we do not expect substantial capital investment; and (iii) we do not expect significant acquisitions of fixed assets, we estimate that cash and cash equivalents on hand and committed unutilized banking facilities, of RMB176.9 million as of June 30, 2026 will be able to maintain our financial viability for [REDACTED] months or, if we take into account 10% of the estimated [REDACTED] from the [REDACTED] (namely, the portion allocated for our working capital and other general corporate purposes), [REDACTED] or, if we also take into account the estimated [REDACTED] from the [REDACTED], [REDACTED]. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings. See “— Indebtedness.” If needed, to support our operation for at least 12 months.

We expect our costs and expenses will continue to increase as our business grows, and such expenditure is expected to be generally in line with our business growth in the future.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range), [REDACTED] to be borne by us are estimated to be approximately RMB[REDACTED] (HK\$[REDACTED]), comprising: (i) [REDACTED] of RMB[REDACTED] (HK\$[REDACTED]); and (ii) [REDACTED] expenses of RMB[REDACTED] (HK\$[REDACTED]), which are further categorized into: (a) fees and expenses of legal advisers and accountants of RMB[REDACTED] (HK\$[REDACTED]); and (b) other fees and expenses of RMB[REDACTED] (HK\$[REDACTED]). Approximately

FINANCIAL INFORMATION

RMB[REDACTED] (HK\$[REDACTED]) of the [REDACTED] is directly attributable to the [REDACTED] and is expected to be recognized directly as a deduction from equity upon the [REDACTED], approximately RMB16.6 million (HK\$19.2 million) of the listing expenses have been charged to profit or loss during the Track Record Period, and remaining approximately RMB13.0 million (HK\$15.0 million) of the listing expenses is expected to be expensed prior to the Listing. The [REDACTED] are expected to represent approximately [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range) and that the [REDACTED] is not exercised. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We 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.

NO MATERIAL ADVERSE CHANGE

Save as disclosed in “Summary — Recent Developments,” our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial condition and results of operations since June 30, 2026, which is the last date reported on in the Accountants’ Report as set out in Appendix I to this document, and there is no event since June 30, 2026 which would materially affect the information in the Accountants’ Report as set out in Appendix I to this document.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET CONSOLIDATED TANGIBLE ASSETS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF OUR COMPANY

For details of our unaudited [REDACTED] adjusted consolidated net tangible assets attributable to equity shareholders of our Company, see Appendix II to this document.