SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [**REDACTED**] *in the* [**REDACTED**].

There are risks associated with any [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set forth in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

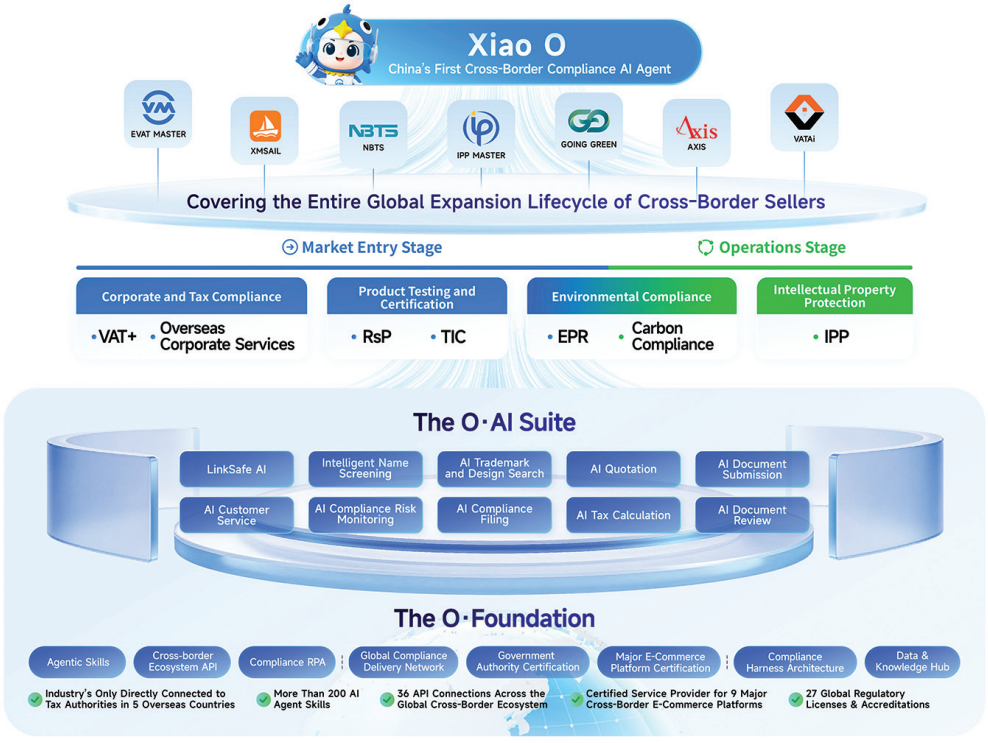
Who We Are

We are an AI-empowered global platform for cross-border e-commerce compliance services. According to CIC, we were the largest cross-border e-commerce compliance service provider both globally and in China in terms of sales value in 2025, with our sales value exceeding the combined total of the second- to eighth-ranked market players in China in the same year. Additionally, we held the leading market share of 21.5% in China's cross-border e-commerce compliance platform market in terms of sales value in 2025.

As of June 30, 2026, we had served over 264,000 paying users cumulatively. We have experienced rapid and continuous business growth during the Track Record Period. Our revenue increased by 45.9% year-over-year to RMB350.5 million in 2024, and increased by 50.8% year-over-year to RMB528.5 million in 2025. Our revenue further increased by 65.6% to RMB385.9 million from the six months ended June 30, 2025 to the same period in 2026. As of the Latest Practicable Date, we had established four business segments, comprising corporate and tax compliance, environmental compliance, product testing and certification, and intellectual property protection ("**IPP**"). As of the same date, we managed over 6,000 active service SKUs in these segments across complex compliance scenarios in 121 countries and regions.

Our Global Cross-border Compliance Platform

We operate a one-stop global cross-border compliance platform through seven brands with different propositions: EVAT MASTER, IPP MASTER, XMSAIL, GOING GREEN, VATAi, AXIS and NBTS. Through these brands, we focus on the four business segments, covering seven service lines: VAT+, overseas corporate services, EPR, carbon compliance, responsible person ("**RsP**"), testing, inspection and certification ("**TIC**"), and IPP. Xiao O, our proprietary cross-border compliance AI agent, provides an intuitive, interactive entry point to the platform. The illustration below presents an overview of our business:

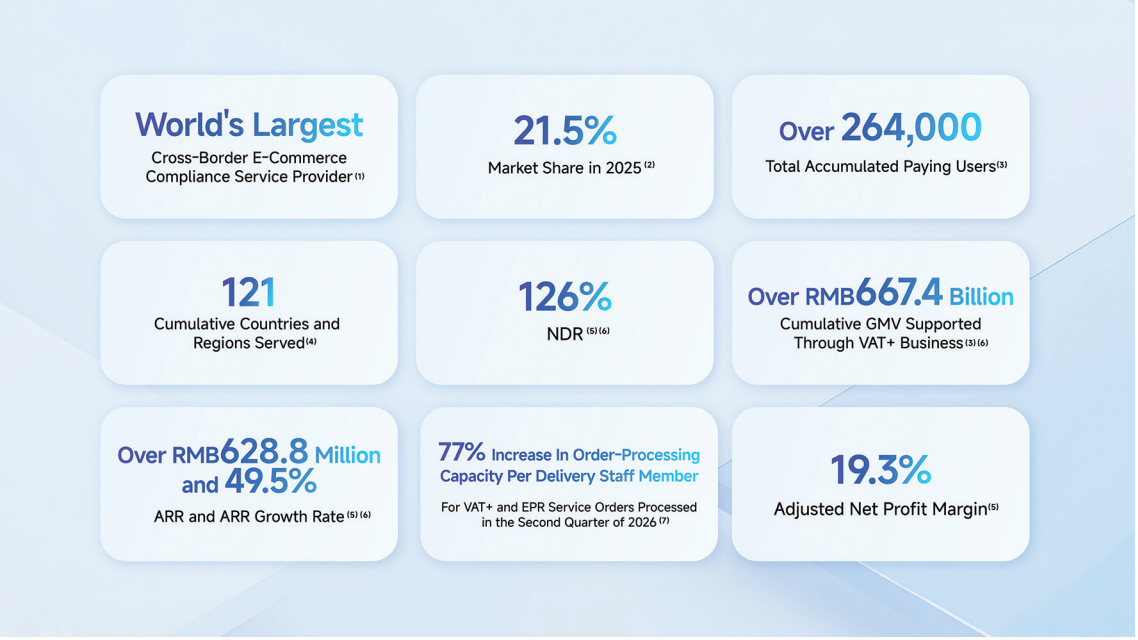


Our seven service lines comprise: (i) VAT+ services, assisting with tax registration, filing, and payment in target markets; (ii) overseas corporate services, assisting with company incorporation, annual accounting and tax filings, and overseas bank account opening; (iii) EPR services, supporting registration and periodic reporting under product and packaging recycling requirements in the EU and certain other markets; (iv) carbon compliance services, covering carbon accounting and reporting, support for environmental certifications and disclosures, and preparation of EU carbon border adjustment declarations; (v) RsP services, assisting sellers with local responsible-person requirements by maintaining compliance documents and assisting with inspections, rectification, and recalls; (vi) TIC services, comprising product testing, inspection, and certification against applicable safety, quality, technical, and regulatory requirements; and (vii) IPP services, assisting with the registration, maintenance, monitoring and protection of trademarks, design and invention patents, copyrights, and other intellectual property rights, featuring targeted search for trademarks and design patents, and temporary restraining order ("**TRO**")-related services.

As of June 30, 2026, we had cumulatively served over 264,000 paying users in Chinese Mainland and other markets worldwide. As of the Latest Practicable Date, we held 27 categories of global regulatory licenses and accreditations required or recognized to conduct our business, such as VAT certifications held by our local entities and EPR authorized representative qualifications across key European markets.

Our Business Performance

Our key businesses and financial performance are illustrated in the following chart:



Notes:

(1) In terms of sales value in 2025.

(2) Calculated based on the sales value of services provided through our global platform as a percentage of the total sales value of China's cross-border e-commerce compliance platform market in 2025.

(3) As of June 30, 2026.

(4) As of the Latest Practicable Date.

(5) In 2025.

(6) NDR refers to net dollar retention rate, defined as revenue from existing users in the current year divided by revenue from the same cohort in the prior year; ARR is defined as recurring revenue from our products in December of a given year multiplied by 12; ARR growth rate represents the year-over-year percentage change in such ARR; and GMV refers to gross merchandise value.

(7) Measured by the number of VAT+ and EPR service orders processed per delivery staff member in the second quarter of 2026, compared to the same period in 2025. In the second quarter of 2026, VAT+ and EPR service orders accounted for 82% of our total service orders.

Our Market Opportunities

Global consumer demand is driving the rise of new forms of cross-border e-commerce

Growing global demand for diverse, high-quality and cost-effective products is transforming traditional trade and e-commerce and supporting the growth of cross-border e-commerce. Efficient global supply chains and direct-to-consumer digital channels have increased both cross-border e-commerce GMV and market penetration, making cross-border e-commerce an increasingly important part of the global retail market. According to CIC, the global cross-border e-commerce market reached RMB14.0 trillion in 2025 and is expected to reach RMB22.2 trillion in 2030.

Stringent and evolving regulations that differ by jurisdiction create sustained demand for cross-border compliance services

Cross-border sellers face increasingly stringent and divergent regulations across jurisdictions, and managing these obligations independently is difficult, costly and risky. The cross-border compliance services market has therefore grown strongly in recent years, with compliance requirements extending from stores to products throughout their lifecycle. According to CIC, the number of active sellers on Amazon reached approximately 1.7 million in 2025, with an average of over 200 products listed per seller, indicating compliance demand at both the store and product levels. A single seller or product may also face obligations across multiple jurisdictions, resulting in annual compliance expenditure of up to several million Renminbi for mid- to large-sized sellers in certain cases and creating demand for one-stop compliance products. Service providers that combine technological efficiency with professional regulatory expertise are well positioned to capture this growth.

How We Continue to Lead in the AI Era

We believe we are well positioned to continue leading in the AI era through: (i) deep and evolving industry insight, converted by AI into reusable enterprise knowledge; (ii) an extensive, hard-to-replicate partner ecosystem, with official certifications from nine major e-commerce platforms, over 500 third-party service providers globally, and local subsidiaries or service teams in 13 markets across four continents; (iii) deep integration of AI into complex compliance scenarios; and (iv) a virtuous cycle between AI investment and financial returns. As of the Latest Practicable Date, we were the only tax reporting software platform globally to obtain official direct API connection certifications from tax authorities in the United Kingdom, Germany, France, Italy and Spain, according to CIC. In August 2026, we launched Xiao O, according to CIC, the first cross-border e-commerce compliance AI agent product in China to cover the full process from enquiry through to fulfillment and delivery. For details, see "Business — Overview — How We Continue to Lead in the AI Era."

OUR OFFERINGS

We provide cross-border compliance services through a platform that combines our comprehensive offerings, a proprietary enterprise-grade agentic AI network, including Xiao O powered by our O·AI Suite and O·Foundation, and a global delivery network, serving customers across their compliance journey, from identifying requirements to completing filings and handling follow-up enquiries.

Each of our compliance products applies one of our service lines to a specific jurisdiction or compliance scenario, such as UK VAT. Each product is further broken down into standard service SKUs with clearly defined scope, deliverables and pricing, such as UK VAT registration and UK VAT agency transfer. Operated through our enterprise-grade agentic AI network, these products can be efficiently constructed, iterated and scaled to address the distinct pain points of cross-border sellers at different development stages. This allows our users, ranging from small sellers to large companies, to access professional compliance services at a lower cost and with greater efficiency than services offered by traditional offline service providers.

Our Brand Portfolio

We deliver services across the four business segments through seven brands with different propositions on our one-stop global cross-border compliance platform. They share governed data, the specialized O·AI agents and standardized tools where appropriate, while each brand keeps a distinct customer proposition and delivery model. The table below summarizes each brand's positioning and service coverage.

Brand	Positioning	Service Coverage
EVAT MASTER	Cross-border tax and product compliance brand primarily serving sellers based in Chinese Mainland	VAT+ (including registration, filing and tax-number management), EPR, RsP and selected TIC-related services
IPP MASTER	Global intellectual property registration, management and protection brand	IPP, including registration, maintenance, monitoring and protection of trademarks, design and invention patents and copyrights, along with trademark and design search and TRO-related services
XMSAIL	Overseas corporate services brand	Company incorporation, annual compliance, bookkeeping, tax filing and related local services
GOING GREEN	Carbon compliance and sustainability services brand	Support for Climate Pledge Friendly, EPD, CDP, SBTi, CBAM and related carbon projects
VATAi	International-facing brand for cross-border compliance, serving sellers outside Chinese Mainland	Tax compliance across jurisdictions, overseas corporate services, environmental and product compliance, IPP and authorized representative services
AXIS	Cross-border compliance brand primarily serving compliance service providers acting on behalf of cross-border sellers on an agency basis	Partner-facing ordering, tax calculation, filing, status tracking and customer management, with EPR, IP and authorized representative services in the EU and the UK
NBTS	Product TIC services brand	Laboratory testing, certification support, and compliance verification

For details, see "Business — Our Offerings."

Performance of Our Business

We monitor the performance and scalability of our business using a set of key operating metrics, including our paying user base, ARR and NDR. These metrics help us assess the quality of our growth and the sustainability of our business model.

The following table sets forth certain key operating data of our business for the periods indicated:

	As of/For the year ended December 31,		
	2023	2024	2025
Total Accumulated Paying Users[1]	87,117	167,113	246,254
ARR (in RMB thousands)[2]	286,137	420,600	628,758
NDR[3]	104%	118%	126%

Notes:

(1) Defined as the number of accumulated paying users (users who have placed and settled purchase orders on our platform) as of the relevant date.

(2) Defined as recurring revenue from our products in December of a given year multiplied by 12.

(3) Defined as revenue from existing users in the current year divided by revenue from the same cohort in the prior year.

OUR TECHNOLOGY

Our business is underpinned by our proprietary Tianheng architecture, the technical infrastructure supporting our enterprise-grade agentic AI network, with direct system connectivity to overseas tax bureaus, corporate registries, e-commerce platforms and certification bodies. Tianheng comprises (i) the Compliance Harness Architecture, which coordinates agent tasks and governs tool use, execution reliability and security; (ii) the Data & Knowledge Hub, which organizes the regulations, compliance rules and authorized business data that our agents retrieve and apply; and (iii) the AI-Powered Infrastructure, which provides model services, computing, storage and the cloud environment in which our applications run. Through this architecture, capabilities such as intelligent tax calculation, EPR category recognition and document recognition are shared across our compliance products. This enables us to swiftly deliver and iterate our products in response to evolving regulatory and customer needs. For details, see "Business — Our Technology."

OUR STRENGTHS

We believe that the following strengths contribute to our success:

- The global leader in the cross-border compliance services market, with strong brand momentum and hard-to-replicate barriers;
- Transforming traditional service delivery through our Tianheng architecture and standardized, intelligent compliance workflows;
- A dynamic knowledge network built on deep industry insight and compliance practice, providing precise and timely compliance decision-making support;
- A full-cycle, standardized product matrix enabling efficient delivery at scale across diverse scenarios, with a strong ecosystem that continues to create value for customers;
- Flywheel effect under a scalable commercial model: a virtuous cycle between business and financial growth; and
- An experienced management team with strategic vision and industry expertise, building a solid foundation for sustained leadership.

For details, see "Business — Our Strengths."

OUR STRATEGIES

To fulfill our mission and vision, we propose to implement the following strategies:

- Deepening our AI-driven strategy to broaden and fortify our technology moat;
- Enriching our product coverage and building a cross-border compliance ecosystem;
- Increasing service penetration and expanding into global markets; and
- Strengthening our supply chain and delivery system to improve quality, increase efficiency, and reinforce our core advantages.

For details, see "Business — Our Strategies."

SALES AND MARKETING

Sales Network

We mainly sell our products and services through our in-house sales teams in Chinese Mainland. Through our one-stop cross-border compliance platform, sales personnel can efficiently engage with customers online to understand their business models and their compliance needs, and recommend suitable combinations of our products. For larger or more sophisticated customers, we typically adopt an account-based approach with dedicated managers responsible for coordinating multi-product engagements. We also leverage our ecosystem relationships to access and serve customers more efficiently. We cooperate with major cross-border e-commerce platforms and cross-border ecosystem service providers and enhance our presence as an official partner of these platforms. For overseas sellers, we are building local sales and service capabilities under our international brand, VATAi, in key international markets.

Marketing

We promote our brands through online and offline channels in Chinese Mainland. Overseas, we connect with customers under the VATAi brand through targeted online marketing, collaboration with leading e-commerce platforms such as Amazon and TikTok Shop, and industry exhibitions in the U.S. and Europe.

Revenue Model

We generate revenue from fees charged for our compliance products and related services across the four business segments. Within each segment, we derive revenue from (i) recurring compliance services, generally provided through ongoing platform and service arrangements, and (ii) value-added services for specific cases or certifications.

We generally expect to recognize revenue from subscription-based arrangements over time, reflecting the continuous transfer of services during the contract period. For certain one-off project-based services, we generally expect to recognize revenue when the relevant service obligations are fulfilled.

Pricing

We use a market-driven pricing model, setting prices based on underlying costs, target gross margins, operating complexity, market risk, service scope and prevailing market pricing. Customers can select and combine the standard service SKUs under each product and adjust their selection as their needs evolve. This model combines standardization and cost efficiency with support for more complex, customer-specific compliance needs.

For details of our sales network, marketing strategies, revenue model and pricing, see "Business — Sales and Marketing."

OUR CUSTOMERS AND SUPPLIERS

Customers

During the Track Record Period, our customer base primarily comprised cross-border e-commerce sellers that sell goods from Chinese Mainland and other markets into overseas destinations. During the Track Record Period, revenue from our five largest customers accounted for less than 5% of our total revenue in each year/period.

Suppliers

During the Track Record Period, our suppliers mainly comprise (i) overseas professional service providers that assist us in delivering compliance services; and (ii) providers of cloud infrastructure and other technology services. In 2023, 2024, 2025 and the six months ended June 30, 2026, purchases from our five largest suppliers amounted to RMB43.7 million, RMB65.7 million, RMB89.3 million and RMB55.9 million, respectively, representing approximately 36.8%, 39.5%, 35.8% and 31.1% of our total purchases for the same periods. During the same periods, purchases from our largest supplier amounted to RMB11.6 million, RMB23.9 million, RMB32.0 million and RMB24.7 million, respectively, representing approximately 10.2%, 14.4%, 12.8% and 13.8% of our total purchases for the same periods. Please see "Business — Our Suppliers" for more details.

COMPETITION

According to CIC, the competitive landscape of the global and China cross-border e-commerce compliance services industry is relatively fragmented. We face competition from traditional compliance service providers and other cross-border e-commerce compliance platform providers in Chinese Mainland and globally.

The principal competitive factors in our industry include e-commerce and regulatory compliance knowledge, advanced and user-friendly product offerings, expansion of products and features, technical capabilities, sales and marketing capabilities, and customer service. We believe we are well-positioned to compete effectively in this industry based on these factors. However, some of our existing or future competitors may have longer operating histories, larger customer bases, greater name recognition and a broader global footprint as well as greater financial, technical and other resources. For more information, see "Industry Overview."

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. These risks include, among others, the following: (i) if we fail to improve and enhance the functions, performance, reliability, design, security, and scalability of our products to suit our customers' evolving needs, we may lose our customers; (ii) if we fail to maintain our relationships with e-commerce platforms, tax authorities or other relevant authorities and institutes or adapt ourselves to emerging e-commerce platforms, or if aforementioned platforms otherwise curtail or inhibit our ability to integrate or operate our products therewith, our business and prospects may be materially and adversely affected; (iii) the development of the cross-border e-commerce compliance service industry is subject to various factors beyond our control, including changes in the macro-economy, which may negatively affect the cross-border e-commerce market and the demand for our products; (iv) we operate in a competitive market and may not be able to compete successfully against our existing and future competitors; (v) further developments in laws and regulations related to the cross-border e-commerce compliance service industry may affect the demand for our services and have an impact on our business; (vi) our historical growth rates may not be indicative of our future growth, and, if we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected; and (vii) our brands are integral to our success. If we fail to effectively maintain, promote and enhance our brands, our business and competitive advantage may be harmed.

For details, see "Risk Factors."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of historical financial information set forth below has been derived from, and should be read in conjunction with, our consolidated financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this document, as well as the information set forth in "Financial Information" of this document. Our financial information was prepared in accordance with HKFRS.

Summary of Description of Major Components of Our Results of Operations

The following table sets out a summary of our results of operations for the 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)			
Revenue	**240,323**	**100.0**	**350,469**	**100.0**	**528,476**	**100.0**	**233,114**	**100.0**	**385,915**	**100.0**
Cost of sales	(114,238)	(47.5)	(166,328)	(47.5)	(248,689)	(47.1)	(105,988)	(45.5)	(180,737)	(46.8)
Gross profit	**126,085**	**52.5**	**184,141**	**52.5**	**279,787**	**52.9**	**127,126**	**54.5**	**205,178**	**53.2**
Other income, gains and loss, net	33,419	13.9	42,502	12.1	40,514	7.7	13,571	5.8	1,018	0.3

	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*	*%*
Impairment losses (recognized) reversed under ECL model, net	(1,031)	(0.4)	1,130	0.3	(1,750)	(0.3)	(430)	(0.2)	636	0.2
Selling expenses	(52,814)	(22.0)	(65,371)	(18.7)	(93,658)	(17.7)	(43,586)	(18.7)	(62,948)	(16.3)
Administrative expenses	(39,256)	(16.3)	(47,749)	(13.6)	(73,023)	(13.8)	(32,456)	(13.9)	(50,993)	(13.2)
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Research and development expenses	(28,335)	(11.8)	(29,991)	(8.6)	(32,140)	(6.1)	(15,324)	(6.6)	(18,650)	(4.8)
Finance costs	(11,348)	(4.7)	(12,072)	(3.4)	(5,300)	(1.0)	(5,070)	(2.2)	(266)	(0.1)
Profit before tax	**26,720**	**11.1**	**72,590**	**20.7**	**114,430**	**21.7**	**43,831**	**18.8**	**56,361**	**14.6**
Income tax expense	(518)	(0.2)	(1,371)	(0.4)	(17,255)	(3.3)	(5,168)	(2.2)	(13,217)	(3.4)
Profit for the year/period	**26,202**	**10.9**	**71,219**	**20.3**	**97,175**	**18.4**	**38,663**	**16.6**	**43,144**	**11.2**
Attributable to:										
Owners of the Company	14,258	5.9	44,685	12.8	89,048	16.9	30,920	13.3	38,328	9.9
Non-controlling interests	11,944	5.0	26,534	7.6	8,127	1.5	7,743	3.3	4,816	1.2

Non-HKFRS Measure

To supplement our consolidated statements of profit or loss which are presented in accordance with HKFRS, we also use adjusted net profit, which is not required by, or presented in accordance with HKFRS. The presentation of such non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures facilitates a comparison of our operating performance by eliminating the impact of (i) interest on redemption liabilities, (ii) [**REDACTED**], (iii) share-based payment expenses and (iv) restructuring expenses, representing one-off tax expenses incurred in connection with the restructuring arrangement. See "History development and corporate structure — Onshore Restructuring". Such non-HKFRS measure allow [**REDACTED**] to consider metrics used by our management in evaluating our performance. The use of the non-HKFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to, an analysis of our results of operations or financial condition as reported under HKFRS. In addition, the non-HKFRS financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

The following table shows reconciliation of net profit for the periods to our adjusted net profit for the 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*
Reconciliation of net profit to adjusted net profit (non-HKFRS measure)					
Profit for the year/period	**26,202**	**71,219**	**97,175**	**38,663**	**43,144**
Added: Interest expenses on redemption liabilities	10,904	11,755	4,903	4,903	–
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share-based payment expenses	–	–	–	–	7,783
Restructuring expenses	–	–	–	–	5,576
Adjusted net profit (non-HKFRS measure)	**37,106**	**82,974**	**102,078**	**43,566**	**74,117**

Revenue

Revenue by business segment

During the Track Record Period, we generated revenue from environmental compliance, corporate and tax compliance, product testing and certification, and intellectual property protection. The following table sets forth a breakdown of our revenue by business segment, in absolute terms and as percentages of total revenue, for the 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)			
Environmental compliance	94,823	39.5	141,917	40.5	235,290	44.5	101,635	43.7	172,508	44.7
Corporate and tax compliance	109,638	45.6	146,914	41.9	185,732	35.1	81,669	35.0	139,393	36.1
Product testing and certification	17,137	7.1	32,487	9.3	72,219	13.7	32,743	14.0	55,928	14.5
Intellectual property protection	18,725	7.8	29,151	8.3	35,235	6.7	17,067	7.3	18,086	4.7
Total	**240,323**	**100.0**	**350,469**	**100.0**	**528,476**	**100.0**	**233,114**	**100.0**	**385,915**	**100.0**

Revenue by geographic region

Although most of our customers are cross-border e-commerce retailers based in Chinese Mainland, our services are used locally across different countries and regions to satisfy local compliance requirements. Accordingly, we present a geographical breakdown of our revenue based on the location where our services are used. The following table sets forth such breakdown on the location of service usage, in absolute amounts of our total revenues for the 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)			
Chinese Mainland	–	–	100	0.0	359	0.1	60	0.0	1,388	0.4
Overseas	**240,323**	**100.0**	**350,369**	**100.0**	**528,117**	**99.9**	**233,054**	**100.0**	**384,527**	**99.6**
– Europe	209,374	87.1	281,121	80.2	438,345	82.9	196,110	84.1	320,378	83.0
– the Americas	19,099	7.9	37,904	10.8	48,514	9.2	22,196	9.5	36,039	9.3
– Asia	11,580	4.8	30,147	8.6	38,163	7.2	13,672	5.9	26,255	6.8
– Others[(1)]	270	0.2	1,197	0.4	3,095	0.6	1,076	0.5	1,855	0.5
Total	**240,323**	**100.0**	**350,469**	**100.0**	**528,476**	**100.0**	**233,114**	**100.0**	**385,915**	**100.0**

Note:

(1) Others primarily consist of Oceania.

Summary of Consolidated Balance Sheets

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated, which has been extracted from the Accountants' Report included in Appendix I to this document:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	253,814	92,939	188,682	184,721
Total current assets	310,872	583,751	656,500	763,289

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	**564,686**	**676,690**	**845,182**	**948,010**
Total non-current liabilities	399,870	422,641	45,793	31,201
Total current liabilities	274,141	388,728	606,271	804,780
Total liabilities	**674,011**	**811,369**	**652,064**	**835,981**
Net current assets/(liabilities)	**36,731**	**195,023**	**50,229**	**(41,491)**
Net assets/(liabilities)	**(109,325)**	**(134,679)**	**193,118**	**112,029**

Our net liability position during 2023 and 2024 was primarily attributable to the recognition of redemption liabilities. Our net liabilities increased from RMB109.3 million as of December 31, 2023 to RMB134.7 million as of December 31, 2024, primarily due to (i) an increase in current contract liabilities and (ii) dividends paid in 2024. Our net liabilities changed from RMB134.7 million as of December 31, 2024 to net assets of RMB193.1 million as of December 31, 2025, primarily due to the derecognition of redemption liabilities, arising from the restructuring arrangement, partially offset by an increase in contract liabilities and accruals and other payables in connection with the expansion of our business operation. Our net assets decreased from RMB193.1 million as of December 31, 2025 to RMB112.0 million as of June 30, 2026, primarily due to a decrease in reserves and paid-in capital, primarily due to (i) the distribution of dividends and (ii) our restructuring arrangement. See "History, Development and Corporate Structure — Onshore Restructuring."

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow data for the 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*
Net cash generated from operating activities	89,014	173,726	269,110	72,570	86,404
Net cash from/(used in) investing activities	(123,406)	191,116	184,871	61,523	(20,073)
Net cash from/(used in) financing activities	(9,805)	(114,754)	(205,645)	(297,043)	(38,679)
Net (decrease)/increase in cash and cash equivalents	(44,197)	250,088	248,336	(162,950)	27,652
Cash and cash equivalents at beginning of period	80,022	36,475	285,865	285,865	533,814
Effect of foreign exchange rate changes	650	(698)	(387)	(747)	1,710
Cash and cash equivalents at end of period	**36,475**	**285,865**	**533,814**	**122,168**	**563,176**

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated.

	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
Gross profit margin[1]	52.5%	52.5%	52.9%	53.2%
Net profit margin[2]	10.9%	20.3%	18.4%	11.2%
Adjusted net profit margin (Non-HKFRS measure)[3]	15.4%	23.7%	19.3%	19.2%
Gearing ratio[4]	2.9%	1.5%	2.4%	2.1%

Notes:

(1) Gross profit margin equals gross profit divided by revenue.

(2) Net profit margin equals net profit divided by revenue.

(3) Adjusted net profit margin is a non-HKFRS measure, which equals adjusted net profit divided by revenue.

(4) Gearing ratio equals total debt (bank borrowings and lease liabilities) divided by total assets. We present gearing ratio on this basis as our equity was negative during the Track Record Period primarily due to redemption liabilities.

DIVIDENDS

We declared dividends of approximately RMB13.4 million, RMB92.3 million, RMB30.5 million and RMB41.4 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, which were settled through cash.

We do not have a dividend policy or any pre-determined dividend distribution ratio. The declaration of dividend is subject to the discretion of our Board. We may distribute dividends by way of cash or by other means that our Board considers appropriate. Any declaration of final dividend is subject to the applicable laws and regulations including the Companies Act and our Articles, which also require the approval of our Shareholders. Our Board may recommend a distribution of dividends in the future after considering our results of operations, financial conditions, operating requirements, capital requirements, Shareholders' interests, future development requirements and any other conditions that our Board may deem relevant. Any future declarations of dividends may or may not reflect our historical declarations of dividends.

Under applicable PRC laws, dividends may be paid only out of distributable profits. As a result, we may not have sufficient distributable profits to enable us to make dividend distributions to our shareholders in the future. In addition, our ability to receive dividends from our PRC subsidiaries is subject to restrictions under PRC laws and regulations. See "Risk Factors — Risks Related to Our Business and Industry — Historical dividends are not indicative of our future dividends" for risks related to our dividends.

PRE-[REDACTED] INVESTMENTS

Since the establishment of our Group, we have undergone several rounds of financing from the Pre-[**REDACTED**] Investors. For further details of the identity and background of the Pre-[**REDACTED**] and the principal terms of the Pre-[**REDACTED**] Investments, see "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments."

OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), by virtue of the Acting-in-Concert Arrangement, Mr. Sun, Ms. Zhang Huiru, Ms. Zhang Na, Mr. Zhang Baohua and Mr. Luo Shimin, together with Mr. Sun's controlled entities, namely, Maidehao Management and Maidetong Business, will control in aggregate approximately [**REDACTED**]% of the voting rights at general meetings of our Company. Accordingly, Mr. Sun, Ms. Zhang Huiru, Ms. Zhang Na, Mr. Zhang Baohua, Mr. Luo Shimin, Maidehao Management and Maidetong Business are the group of Controlling Shareholders of our Company. For further details, see "Relationship with Our Controlling Shareholders."

FUTURE PLANS AND USE OF [REDACTED]

We estimate the net [**REDACTED**] of the [**REDACTED**] which we will receive, based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range), will be approximately HK$[**REDACTED**] million, after deduction of [**REDACTED**] fees and [**REDACTED**] and other estimated expenses payable by us in connection with the [**REDACTED**] and assuming the [**REDACTED**] is not exercised. In line with our strategies, we intend to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used to upgrade and expand our product portfolio and further integrate our AI capabilities into the development of new products and the upgrade of existing products, thereby better addressing our customers' compliance needs across multiple scenarios and enhancing the intelligence, standardization and scalability of our products.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be used for R&D in AI and other key technologies and upgrades to our core business systems.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, will be allocated to strengthen our marketing network and brand development, and expand and enhance our service network.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for strategic partnerships, investments and acquisitions in the cross-border compliance sector.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**] million, is expected to be used for working capital and other general corporate purposes.

Please see "Future Plans and Use of [**REDACTED**]" for more details.

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [**REDACTED**] is completed and [**REDACTED**] Shares are [**REDACTED**] in the [**REDACTED**], (ii) the [**REDACTED**] is not exercised, and (iii) [**REDACTED**] Shares are in issue upon completion of the [**REDACTED**] (taking into account the Share Subdivision).

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
[**REDACTED**] of our Shares[(1)]	HK$[**REDACTED**] million	HK$[**REDACTED**] million
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share[(2)]	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) The calculation of [**REDACTED**] of our Shares is based on [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**] taking into account the Share Subdivision.

(2) See Appendix II to this document for further details regarding the assumptions used and the calculation method.

[REDACTED]

Based on the mid-point of our indicative [**REDACTED**] range and assuming the [**REDACTED**] is not exercised, the [**REDACTED**] to be borne by us are estimated to be approximately RMB[**REDACTED**] million and are expected to represent approximately [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**], comprising (i) [**REDACTED**]-related expenses, including [**REDACTED**] and other expenses, of approximately RMB[**REDACTED**] million, and (ii) non-[**REDACTED**]-related expenses of approximately RMB[**REDACTED**] million (including (a) fees and expenses of legal advisers and reporting accountant of approximately RMB[**REDACTED**] million, and (b) other fees and expenses of approximately RMB[**REDACTED**] million).

During the Track Record Period, we recognized [**REDACTED**] of RMB[**REDACTED**] million in our consolidated statements of profit or loss.

We expect to incur additional [**REDACTED**] of RMB[**REDACTED**] million (assuming the [**REDACTED**] is not exercised and based on the mid-point of our indicative [**REDACTED**] range), approximately RMB[**REDACTED**] million of which is expected to be charged to our statements of profit or loss, and approximately RMB[**REDACTED**] million of which is expected to be charged to equity upon the [**REDACTED**]. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may, from time to time, become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any actual or pending legal, arbitration or administrative proceedings against us or our Directors that we believe could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we did not commit any material breach of applicable laws and regulations, and we had not been subject to any administrative penalties imposed by relevant regulatory authorities for material breaches of applicable laws and regulations which may adversely and materially impact our business, financial condition and results of operations.

APPLICATION FOR [REDACTED] OF THE H SHARES ON THE STOCK EXCHANGE

Our Company has applied to the Stock Exchange for the granting of the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares to be [**REDACTED**] by us pursuant to the [**REDACTED**] (including any H Shares which may be [**REDACTED**] pursuant to the exercise of the [**REDACTED**]) and the H shares to be converted from Unlisted Shares (taking into account the Share Subdivision), on the basis that, among others, we satisfy the profit test under Rule 8.05(1) of the Listing Rules.

RECENT DEVELOPMENT

No Material Adverse Change

Our Directors confirm that, as of the date of this document, there has been no material adverse change in our business operations, financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since June 30, 2026, the end of the period reported in the Accountants' Report set out in Appendix I to this document.