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Application Proof of

Quantgroup Holding Limited
量化派控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(the “**Company**”)

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Quantgroup Holding Limited
量化派控股有限公司

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED] under the: [[REDACTED]] Shares (subject to the [REDACTED])
[REDACTED]
Number of [REDACTED]: [[REDACTED]] Shares (subject to [REDACTED])
Number of [REDACTED]: [[REDACTED]] Shares (subject to [REDACTED] and the [REDACTED])
Maximum [REDACTED]: HK\$[[REDACTED]] per [REDACTED] plus brokerage of 1.0%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)
Nominal value: US\$0.0001 per Share
[REDACTED]: [●]
Joint Sponsors [REDACTED]



[REDACTED]

Financial Advisor

FOSUN INTL CAPITAL

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The [REDACTED] is expected to be determined by agreement between us and the [REDACTED] (for themselves and on behalf of the [REDACTED]) on or before [[REDACTED]], [[REDACTED]], and, in any event, not later than 12:00 noon on [[REDACTED]], [[REDACTED]], [REDACTED]. The [REDACTED] will be not more than HK\$[[REDACTED]] per [REDACTED] and is currently expected to be not less than HK\$[[REDACTED]] per [REDACTED], unless otherwise announced. Investors applying for the [REDACTED] must pay, on application, the [REDACTED] of HK\$[[REDACTED]] per [REDACTED], together with brokerage of 1.0%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] is less than HK\$[[REDACTED]] per [REDACTED]. If, for any reason, the [REDACTED] is not agreed between us and the [REDACTED] (for themselves and on behalf of the [REDACTED]) by 12:00 noon on [[REDACTED]], [[REDACTED]], [REDACTED] (Hong Kong time), the [REDACTED] (including the [REDACTED]) will not proceed and will lapse.

The [REDACTED] (for themselves and on behalf of the [REDACTED]), with our consent, may reduce the indicative [REDACTED] range stated in this document and/or reduce the number of [REDACTED] being offered pursuant to the [REDACTED] at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. See “Structure of the [REDACTED]” and “How to apply for the [REDACTED]” in this document for further details.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See “[REDACTED] — [REDACTED] Arrangements and Expenses — [REDACTED] — Grounds for Termination” in this document for such grounds. It is important that you refer to that section for further details.

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IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

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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 the whole document before you decide to [REDACTED] in the [REDACTED].

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

OUR BUSINESS

Overview

We are an operator of online marketplaces devoted to the consumption sector in China. Our consumer E-commerce platform, Yangxiaomie (羊小咩), carries a wide spectrum of retail goods ranging from consumer electronics, food and beverages, home appliances, cosmetics, jewelry to clothing and personal daily care provided by third-party marketplace suppliers, and matches such consumer goods with our Yangxiaomie Users through online purchases since November 2020. We also operate an automobile retail O2O platform, Consumption Guide (消費地圖) since April 2022, which currently predominantly collaborates with automobile retailers by attracting online traffic to purchase automobiles offline at the brick-and-mortar stores of the automobile retailers and, to a lesser extent, Consumption Guide also allows online purchase of automobiles by consumers. We regard (i) the marketplace suppliers on Yangxiaomie, comprising merchandise suppliers and POP store operators, and (ii) the marketplace suppliers on Consumption Guide, comprising automobile retailers and, during the Track Record Period, both automobile retailers and merchants of local lifestyle goods and services, as our business partners. To a very small extent, we provide advertisement placement for our business partners.

Online marketplaces for consumption refer to online platforms that provide matching services between goods and end consumers in consumption-related industries, including consumer E-commerce platforms and consumer retail O2O platforms. Consumer E-commerce platforms refer to online marketplaces that provide consumers with goods transactions, with core functionalities including product display, online payment, order processing, and logistics delivery, and in Yangxiaomie’s case, where our marketplace suppliers can display the products online and sell them directly to the Yangxiaomie Users. Consumer retail O2O platforms refer to online marketplaces that integrate online channels with offline store visits, converting online traffic into offline merchandise purchase, and in Consumption Guide’s case, where automobile retailers could display the automobiles online for traffic conversion to offline visits and purchases.

During the Track Record Period, we also provided matching services for financial institutions, where we matched financial institutions with end borrowers that meet the financial institutions’ target customer criteria for their financing services. As of September 12, 2024, we have ceased all then existing agreements with the financial institutions in connection with matching service and since then no longer generate any revenue thereunder. As a transitional arrangement, from September 12, 2024 to January 15, 2025 following the foregoing cessation, we allowed the Yangxiaomie Users to continue accessing financial institutions through H5 redirections embedded on Yangxiaomie to check and manage their existing loans. On January 16, 2025, we discontinued H5 redirections embedded on Yangxiaomie such that potential end customers cannot initiate or manage transactions with financial institutions through Yangxiaomie. As of such date, we have ceased the provision of matching services to financial institutions (or loan facilitation and traffic diversion services), and have undertaken to the relevant financial regulatory authority in Mainland China that we will not conduct such business in the future.

The following table illustrates the transaction nature, customers from whom we receive revenue, pricing model and revenue recognition method for our three revenue streams, namely operation of our two online marketplaces

SUMMARY

(namely Yangxiaomie and Consumption Guide), advertisement placement and provision of matching services for financial institutions, during the Track Record Period.

Transaction nature	Pricing model	Revenue recognition	Nature of revenue
I. Operation of Online Marketplaces			
Yangxiaomie			
We market marketplace suppliers' goods which are transacted <u>directly on Yangxiaomie</u> . The goods are either (i) sourced from merchandise suppliers and sold by us or (ii) sourced and sold by POP store operators on Yangxiaomie.	(i) For goods sold by us and sourced from merchandise suppliers, we earn a margin, ranging from 0% ² to 59.7%, for each good transacted on Yangxiaomie (i.e. the difference between what we receive from end customers for such good and what we pay to the merchandise suppliers for such goods).	(i) Net basis	(i) Margin
	(ii) For goods sourced and sold by POP store operators on Yangxiaomie ¹ , we receive a commission from the POP store operators, being a percentage of the transaction value generated, typically ranging from 1% to 5% depending on the product category.	(ii) Gross basis	(ii) Commission
Consumption Guide			
We primarily match end customers that purchase automobiles and, to a small extent, local lifestyle services, which are sold/provided by the marketplace suppliers in offline stores.	(i) For local lifestyle goods and services: From April 2022 to the end of 2023, we earned a commission, being percentage of the transaction value generated through Consumption Guide, from merchants of local goods and lifestyle services, ranging from approximately 6% to 22%, after deducting rebates.	(i) Gross basis	(i) Commission
	(ii) For automobile: Prior to December 31, 2023, we sold consumption coupons of automobiles which were distributed on Consumption Guide, where we received a service fee of RMB3,000 or RMB5,000 for each automobile consumption coupon redeemed. ³ Since January 2024, the automobile retailer we partner with (currently, Auto Partner A) shared profit with us in amounts ranging from RMB200 to RMB37,000 per purchase based on the selling price of the automobiles sold.	(ii) Gross basis	(ii) Commission

¹ We entered into a POP store onboarding cooperation agreement with POP Store A in May 2024. We began to generate revenue from provision of matching services for POP Store A starting from June 2024. Our revenue derived from matching services for our merchandise suppliers and POP Store A on Yangxiaomie amounted to RMB903.8 million and RMB21.3 million for the year ended December 31, 2024, respectively. And for the period ended May 31, 2025, our revenue derived from matching services for our merchandise suppliers and POP Store A on Yangxiaomie amounted to RMB373.2 million and RMB32.9 million, respectively.

² During the Track Record Period, the transaction value where our Group earned a margin of 0% was RMB1,362.6, which was non-recurring and event-specific. For instance, we organized local events for coffee shops to attract online traffic to their offline stores. Given the immaterial transaction value, no material losses were incurred.

³ We charged either RMB3,000 or RMB5,000 for each automobile consumption coupon distributed, which represented either 50% or 100% of the face value of the coupon. We receive a higher percentage from the distribution of automobile consumption coupons because automobiles are luxuries that are intrinsically higher in value and the face value of the automobile consumption coupons only represents a small percentage of the actual value of the automobiles. In addition, according to Frost & Sullivan, a service fee ranging from RMB3,000.0 to RMB5,000.0 for each automobile purchase facilitated is in line with market norms.

SUMMARY

Transaction nature	Pricing model	Revenue recognition	Nature of revenue
II. Other Businesses			
Advertisement Placement			
We place advertisements for our business partners both (a) online through our online marketplaces, and (b) offline through physical media.	We receive a fixed fee from marketplace suppliers, ranging from approximately RMB9,700 to RMB69,800 each month, depending on the type of advertisement placed.	Gross basis	Service fee
Provision of matching services for financial institutions			
We match financial institutions with potential end borrowers.	During the Track Record Period and up to September 2024, we received a commission, being a percentage of the amount of loan facilitated on Yangxiaomie, from financial institutions. The percentage ranged from nil to 8.6%, depending on the type of services offered.	Gross basis	Commission

Our Technology

We help our business partners attract users, and accurately tag and differentiate various users, through search and recommendation algorithms. Our technology platform, QuantPlanet, is a unified platform that encompasses, interconnects and enhances a variety of operational functions ranging from customer acquisition, target customer analysis to customer vitalization. QuantPlanet comprises, among other things, our proprietary AI algorithms that analyze end customers’ preference from their consumption pattern and rank the results of their searches according to such preferences. Individualized banner and recommendations of goods and services that match end customers’ interests the most will be presented on homepages browsed by them. By presenting optimal search results and recommendations to end customers, QuantPlanet enhances our business partners’ ability to attract more end customers.

Through the online marketplaces that we operate, our business partners in consumption-related businesses can conduct matching as well as customer engagement and retention activities to activate their existing end customer pools. QuantPlanet, built in a modular structure, caters, and can effectively adapt, to the diverse needs and processes of our business partners which allows our business partners to focus on innovation and development rather than operational management. Using QuantPlanet, we can customize our services offerings to assist a diverse group of business partners from different industry verticals to manage their goods and services through our online marketplaces.

SUMMARY

Our Operating and Financial Performance

The following table sets forth the breakdown of revenue generated under different revenue streams for the periods indicated.

	For the Year Ended December 31,						For the Five Months Ended May 31,					
	2022		2023		2024		2024		2025			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	(unaudited)	
Operation of Online												
Marketplaces	412,057	86.7	411,532	77.7	957,937	96.5	267,385	89.2	414,017	100.0		
Revenue from Yangxiaomie	206,222	43.4	200,451	37.8	925,124	93.2	253,500	84.6	406,100	98.1		
Revenue from Consumption Guide	205,835	43.3	211,081	39.9	32,813	3.3	13,885	4.6	7,917	1.9		
Other Businesses	63,228	13.3	118,137	22.3	35,092	3.5	32,466	10.8	123	0.0		
Advertisement Placement	7,166	1.5	10,952	2.1	3,048	0.3	2,240	0.7	123	0.0		
Revenue from Financial Institutions	56,062	11.8	107,185	20.2	32,044	3.2	30,226	10.1	—	—		

The following table sets forth the gross profit and gross profit margin of our online marketplaces and other businesses for the periods indicated:

	For the Year Ended December 31,						For the Five Months Ended May 31,					
	2022		2023		2024		2024		2025			
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	(unaudited)	
Operation of Online												
Marketplaces												
Yangxiaomie	181,677	88.1	187,325	93.5	901,576	97.5	245,833	97.0	394,335	97.1		
Consumption Guide ⁽¹⁾	73,282	35.6	65,921	31.2	25,483	77.7	10,677	76.9	5,888	74.4		
Other Businesses												
Advertisement Placement	6,714	93.7	10,594	96.7	3,039	99.7	2,236	99.8	123	100.0		
Providing Matching Services for Financial Institutions	51,084	91.1	103,815	96.9	31,793	99.2	30,019	99.3	—	N/A ²		

Notes:

- (1) During the Track Record Period, the fluctuations in the gross profit margin of Consumption Guide was primarily due to the fluctuations of Internet operation cost, which mainly represent the service fee we paid to Weidaoyun. See section headed “Business — Our Online Marketplaces — Consumption Guide (消費地圖) — Marketing Activities of Consumption Guide through Cooperation with Weidaoyun” for more details.
- (2) As of September 12, 2024, we have ceased all then existing agreements with the financial institutions in connection with matching service and since then no longer generate any revenue thereunder. see “Business — Other Businesses — Historical matching services for financial institutions” for details

See “Financial Information — Critical Accounting Policies, Judgments and Estimates — Material Accounting Policies — Revenue Recognition” for more details on our revenue recognition policy.

SUMMARY

Since our inception, we have been developing our online marketplaces for consumption that we operate. In doing so, we have created a value chain in the consumption industry, connecting our business partners, offering both goods and services, with target end customers. Benefiting from our technological expertise, we have achieved growth in our business scale during the Track Record Period. For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, through our online marketplaces, we had facilitated transactions with a transaction value of RMB3.6 billion, RMB4.9 billion, RMB7.7 billion and RMB4.6 billion, respectively. Supported by our AI-powered digital technology platform, we have been developing and upgrading our online marketplaces to adapt to the ever-changing needs of our business partners and the end customers. Utilizing our established digital technology platform, in the second quarter of 2022, we introduced Consumption Guide (消費地圖), which covers all geographic areas that proprietary local consumption apps operate.

Our total revenue was RMB475.3 million, RMB529.7 million, RMB993.0 million, RMB299.9 million and RMB414.1 million for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, respectively. We recorded a loss of RMB0.3 million for the year ended December 31, 2022 (primarily attributable to the changes in the carrying amount of financial instruments with preferred rights), a profit of RMB3.6 million, RMB147.1 million, RMB34.7 million and RMB125.6 million for the years ended December 31, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, respectively. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the year (non-IFRS measure) were RMB137.4 million and RMB126.3 million for the year ended December 31, 2022, respectively. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the year (non-IFRS measure) were RMB155.3 million and RMB147.6 million for the year ended December 31, 2023, respectively. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the year (non-IFRS measure) were RMB417.9 million and RMB363.3 million for the year ended December 31, 2024, respectively. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the period (non-IFRS measure) were RMB139.1 million and RMB123.8 million for the five months ended May 31, 2024. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the period (non-IFRS measure) were RMB249.7 million and RMB211.6 million for the five months ended May 31, 2025, respectively. See “Financial Information — Results of Operations — Non-IFRS Measures” for details.

OUR STRENGTHS

We believe that the following competitive strengths contribute to our success and will help drive our growth in the future:

- *Dedication and recognition in operating our online marketplaces in the thriving and competitive consumption industry in China.* Since our inception, we have dedicated our resources to the operation of online marketplaces for consumption. Leveraging our commitment to the industry, as well as the experience and technological expertise developed over time, we are well positioned to thrive in operation of online marketplaces for consumption in China, and capture the future growth potential of the market. Leveraging our experience and technological expertise, we are well positioned to thrive in the online marketplaces for consumption market in China and capture the future growth potential of the market.
- *Unfaltering technological advancement in user profile and customer preference analytics.* Our proprietary AI technologies can analyze customer preferences and information in real time. Our AI models continuously learn and improve by themselves through discovering new patterns by analyzing user profiles. For instance, on Yangxiaomie, we can generate recommendations to end customers in connection with goods of marketplace suppliers that target the needs of such end customers and customizing virtual-storefront homepages for each end customer, providing “A Thousand People, A Thousand Faces” (“千人千面”) shopping experience for Yangxiaomie Users.

SUMMARY

- *Proven track record in operation of Yangxiaomie.* We have a proven track record in helping our marketplace suppliers to match target end customers effectively. This in turn helped us to achieve outstanding financial and operating performance during the Track Record Period.
- *Talented management team.* Our management team included pioneers who have been driving the development of intelligent integrated matching service offerings that effectively increase customer engagement and satisfaction in recent years.

OUR STRATEGIES

We intend to pursue the following strategies to deepen and accelerate the growth of our online marketplaces:

- *Continue to develop Yangxiaomie as our online marketplace and optimize the customer experience.* We are dedicated to the continuous development of Yangxiaomie as a consumer E-commerce platform and intend to further enhance its profitability and increase its transaction value.
- *Increase investment in our technology infrastructure.* To further increase our business partners’ stickiness to our matching capability across the value chain of online marketplace, we will continue to invest in our technology infrastructure.

OUR CUSTOMERS AND SUPPLIERS

Our customers are mainly (1) Yangxiaomie Users (who are mainly individual end customers) purchasing goods directly on Yangxiaomie and POP store operators (who we onboard to Yangxiaomie) and (2) marketplace suppliers that are automobile retailers. Our top five customers during the Track Record Period accounted for 19.2%, 21.0%, 8.8% and 9.9% of our revenues for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively, and our largest customer during the Track Record Period accounted for 7.0%, 5.2%, 3.4% and 8.0% of our revenues for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. See “Business — Top Customers and Suppliers — Top Customers” for a detailed description of our customers.

Our suppliers are primarily suppliers of Internet advertising and promotion services, merchandise suppliers providing goods and services and suppliers of marketing services. Our top five suppliers during the Track Record Period accounted for 53.6%, 64.5%, 68.0% and 69.8% of our total purchase amounts for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively, and our largest supplier during the Track Record Period accounted for 22.5%, 22.4%, 20.4% and 24.0% of our total purchase amounts for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. See “Business — Top Customers and Suppliers — Top Suppliers” for a detailed description of our suppliers.

OUR INDUSTRY AND GROWTH DRIVERS

According to Frost & Sullivan, the market size of online marketplace for consumption in China in terms of GMV increased from RMB13.9 trillion in 2020 to RMB 25.7 trillion in 2024, with a CAGR of 16.5% during the period, and the share of China’s market of online marketplace for consumption in China’s total retail market reached 36.9% in 2024. Such rapid growth, according to Frost & Sullivan, was mainly attributable to the development of innovative technology including big data, cloud computing, and AI, the increasing diversification of consumer demands, as well as favorable policy environment. Further, according to Frost & Sullivan, driven by the deeper application of emerging technologies in the industry, the market size is expected to grow to RMB 29.1

SUMMARY

trillion in 2025 and eventually to RMB 41.2 trillion in 2029, with a CAGR of 9.1% during such period, and its market share in China’s total retail market is expected to further increase during such period. For details relating to the key growth drivers and development trends of online marketplaces for consumption in China, please refer to the section headed “Industry Overview — Market Analysis of Online Marketplace for Consumption in China”.

This growth in our addressable market is expected to continue, driven by:

(1) Consumer demand is increasingly diversified with rapid growth in experiential consumption, with consumers seeking unique products to express their identity and aesthetic preferences, as well as emotional value and psychological fulfillment derived from the shopping process and as the itself has gained greater significance. To meet these evolving demands, leading online marketplaces have introduced various innovative initiatives, including brand-exclusive zones and limited-edition collaborative products, thereby forging stronger connections between consumer needs and goods.

(2) Technological innovations including enhanced data transmission efficiency under the 5G networks, the development of artificial intelligence and blockchain technology and cloud computing which optimized user experience and restructured the matching efficiency of participants, goods, and scenarios, providing fundamental support for expansion of the market of online marketplace for consumption.

(3) Supportive policies also promote the development of the market of online marketplace for consumption in China. For instance, the State Administration for Market Regulation issued “Opinions on Guiding Online Trading Platforms to Play an Active Role in Traffic and Support the Development of Small, Medium and Micro Business Entities” in 2024, which encourages platforms to enhance the supply of specialty products and services, including cultural tourism goods, handicrafts and local specialties, by establishing dedicated channels and organizing featured sales events based on market trends and consumer demands. Furthermore, other supportive policies have also significantly contributed to the growth of the market of online marketplace for consumption in China.

See “Industry Overview” for details.

OUR ONLINE MARKETPLACES

The following table sets forth key operating metrics of Yangxiaomie.

	For the Year ended December 31,			For the Five Months Ended May 31,
	2022	2023	2024	2025
<i>Average Revenue per User (RMB)¹</i>	10,330	14,813	21,296	25,622
<i>Average MAU²</i>	692,305	528,405	963,314	937,041
<i>Average Monthly Paying Users^{3 6}</i>	54,068	29,496	62,587	66,888
<i>Annual Registered Users ('000)⁴</i>	45,894	48,412	56,881	N/A
<i>Annual Transaction value (RMB'000)⁵</i>	2,006,187	1,957,839	7,028,305	N/A
<i>Average Next Month Repurchase Rate</i>	46.0%	40.0%	33.8%	41.6%

Note:

(1) ARPU (average revenue per user) is calculated by dividing the transaction value by the number of paying users.

(2) MAU (monthly active users) refers to the number of Yangxiaomie Users who visit Yangxiaomie at least once within a month. Average MAU is the average number of MAU over a year. MAU on Yangxiaomie include both end customers we referred to financial institutions and end customers purchasing goods on Yangxiaomie. The MAU on Yangxiaomie decreased from 692.3 thousand in 2022 to 528.4 thousand in 2023 primarily due to strategic decrease in advertisement efforts in 2022, which led to a decrease in customer flow in 2023 due to the latency effect of advertisements placed. In the second half of 2023, we devoted more efforts in advertisements and

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marketing. The MAU on Yangxiaomie increased from 528.4 thousand in 2023 to 963.3 thousand in 2024, primarily due to the lag effect of advertisements placed starting in the third quarter of 2023 and our continuing investment in Yangxiaomie in 2024. The MAU on Yangxiaomie increased from 744.0 thousand for the five months ended May 31, 2024 to 937.0 thousand for the five months ended May 31, 2025, primarily due to increased marketing expenditures and expanded partnership channels, improved depth and variety of marketing campaign content and product categories, as well as increased frequency of user marketing engagement. Matching service for financial institutions and online marketplaces on Yangxiaomie share the H5 redirections embedded on Yangxiaomie and not operated by us so the MAU cannot be further broken down based on nature of services.

- (3) Monthly paying users refer to the number of Yangxiaomie Users who have made at least one successful transaction within a month (counting repeated users as one). Average Monthly Paying Users is the average number of monthly paying users over a financial year.
- (4) Registered users include customers who have a registered account on Yangxiaomie calculated on an accumulative basis. Matching service for financial institutions and online marketplaces on Yangxiaomie share the same registration system so the registered users cannot be further broken down based on nature of services.
- (5) The transaction value for Yangxiaomie increased from RMB4.9 billion in 2023 to RMB7.7 billion in 2024, primarily due to our strategic advertising and marketing initiatives for Yangxiaomie beginning in the third quarter of 2023 across various Internet platforms for traffic acquisition, specifically app store advertisement placements, advertising on new media platforms, traffic referrals from our business partners, which had a delayed impact on the number of average monthly paying users for online marketplaces on Yangxiaomie, and our continuing investment in Yangxiaomie in 2024.
- (6) The average monthly paying users on Yangxiaomie decreased from 54,068 in 2022 to 29,496 in 2023, in line with the adjustment of our marketing strategy. We terminated all cooperation agreements with our third-party suppliers of Internet advertising and promotion services in 2022. This resulted in a decrease in the number of average monthly paying users for online marketplaces on Yangxiaomie in 2023 due to the delayed impact of terminating services on the number of users. The average monthly paying users for online marketplaces on Yangxiaomie increased from 29,496 in 2023 to 62,587 in 2024, primarily due to our strategic advertising and marketing initiatives for Yangxiaomie beginning in the third quarter of 2023 across various Internet platforms for traffic acquisition, which had a delayed impact on the number of average monthly paying users for online marketplaces on Yangxiaomie and our continuing investment in Yangxiaomie in 2024. The average monthly paying users on Yangxiaomie increased from 46,053 for the five months ended May 31, 2024 to 66,888 for the five months ended May 31, 2025, primarily due to increased marketing expenditures and expanded partnership channels, improved depth and variety of marketing campaign content and product categories, as well as increased frequency of user marketing engagement.

The following table sets forth key operating metrics of Consumption Guide.

	For the Year Ended December 31,			For the Five Months Ended May 31,
	2022	2023	2024	2025
Average MAU ¹	62,255	81,038	7,476	2,081
Registered Users ('000) ²	257	557	578	578
Online Transaction Value (RMB'000) ³	420,528	321,501	14,930 ⁷	— ⁷
Online Transaction Value for Automobile Retailers (RMB'000) ⁵	—	—	13,764 ⁷	— ⁷
Online Transaction Value for Other Marketplace Suppliers on Consumption Guide (RMB'000)	420,528	321,501	1,165 ⁶	— ⁶
Number of Automobiles Sold Online under Collaboration with Auto Partner A	—	—	724 ⁷	— ⁷
Number of Automobile Sold Offline under Collaboration with Auto Partner A	—	—	10,972 ^{4,7}	1,755 ⁷

Note:

- (1) MAU (monthly active users) refers to the number of users who visit Consumption Guide at least once within a month. Average MAU is the average number of MAU over a year. The MAU on Consumption Guide increased from 62.3 thousand in 2022 to 81.0 thousand in 2023 primarily due to the business expansion of Consumption Guide. The MAU on Consumption Guide decreased from 81.0 thousand in 2023 to 7.5 thousand in 2024, primarily because we strategically invested more resources in Yangxiaomie than in Consumption Guide. The MAU on Consumption Guide decreased from 14.2 thousand for the five months ended May 31, 2024 to 2.1 thousand for the five months ended May 31, 2025 primarily due to the suspension of government discount coupons distributions in the first half of the year, resulting in reduction in user visits.

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- (2) Registered users include customers who have a registered account on Consumption Guide calculated on accumulative basis.
- (3) The online transaction value for Consumption Guide and associated proprietary local consumption apps decreased from RMB420.5 million in 2022 to RMB321.5 million in 2023, primarily due to a decrease in transaction value in connection with non-automobile related transactions, partially offset by an increase in transaction value in connection with automobile services. The annual transaction value for Consumption Guide and associated proprietary local consumption apps decreased from RMB321.5 million in 2023 to RMB14.9 million in 2024, primarily because we strategically invested more resources in Yangxiaomie than in Consumption Guide. The online transaction value for Consumption Guide and associated proprietary local consumption apps decreased from RMB one million for the five months ended May 31, 2024 to nil for the five months ended May 31, 2025, primarily due to the suspension of government discount coupons distributions in the first half of the year, resulting in reduction in user visits.
- (4) The transaction value generated from automobiles sold online and offline under collaboration with Auto Partner A was approximately RMB13.7 million and RMB4.3 billion, respectively.
- (5) The online transaction value for automobile retailers refers to the amount of transactions made through Auto Mobile A upon the transformation of targeted market suppliers by Consumption Guide.
- (6) We had wound down the sale of all consumption coupons by the end of February 2024 and ceased distributing them in March 2024.
- (7) Following the transformation of targeted marketplace suppliers of Consumption Guide since January 1, 2024 through the collaboration with Auto Partner A, Consumption Guide has been designated as the exclusive online display and marketing channel for the retail of automobiles in Northern China, and later expanded to three regions with relatively strong subsidy support, namely (1) Xining, Qinghai Province; (2) Shihezi, Xinjiang Uygur Autonomous Region; and (3) Sanya, Hainan Province in August 2025. Most of the transactions of automobiles were conducted offline. For the five months ended May 31, 2025, all transactions related to Consumption Guide were conducted offline.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial information as of and for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025. We have derived this summary from our audited financial information set forth in the Accountants’ Report in Appendix I to this document. The summary financial data set forth below should be read together with our consolidated financial statements and the related notes, as well as the section headed “Financial Information” in this document.

Consolidated Statements of Profit or Loss

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

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Revenue	475,285	529,669	993,029	299,851	414,140
Cost of sales	(162,528)	(162,014)	(31,138)	(11,085)	(13,794)
Gross profit	312,757	367,655	961,891	288,766	400,346
Profit from operations	82,971	145,140	352,113	110,764	231,091
(Loss)/profit before taxation	(1,281)	2,752	194,822	46,948	161,074
Income tax credit /(expense)	998	891	(47,694)	(12,257)	(35,443)
(Loss)/profit for the year/period	(283)	3,643	147,128	34,691	125,631
<i>(Loss)/profit for the year/period attributable to:</i>					
<i>Equity shareholders of the Company</i>	<i>(281)</i>	<i>3,643</i>	<i>147,128</i>	<i>34,691</i>	<i>125,631</i>
<i>Non-controlling interests</i>	<i>(2)</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>

SUMMARY

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items.

We believe these measures provide useful information to [REDACTED] and others in understanding and evaluating our consolidated statement of profit or loss in the same manner as they help our management. However, our presentation of adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitutes for an analysis of, our consolidated statement of profit or loss or financial condition as reported under IFRS Accounting Standards.

We define adjusted profit (non-IFRS measure) as (loss)/profit for the year/period, excluding share-based compensation, changes in the carrying amount of financial instruments with preferred rights and [REDACTED]. We define adjusted EBITDA (non-IFRS measures) as EBITDA excluding share-based compensation, changes in the carrying amount of financial instruments with preferred rights and [REDACTED].

The following table reconciles our adjusted profit for the periods (non-IFRS measure) and adjusted EBITDA (non-IFRS measures) presented in accordance with IFRS Accounting Standards, which is (loss)/profit for the periods:

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Reconciliation of (loss)/profit to adjusted profit for the year/period (non-IFRS measure)					
(Loss)/profit for the year/period	(283)	3,643	147,128	34,691	125,631
Add:					
Share-based compensation ⁽¹⁾	15,823	(7,282)	36,948	17,343	11,124
Changes in the carrying amount of financial instruments with preferred rights ⁽²⁾	84,083	141,561	155,718	63,084	69,392
[REDACTED] ⁽³⁾	26,669	9,640	23,467	8,687	5,404
Adjusted profit for the year/period (non-IFRS measure)	126,292	147,562	363,261	123,805	211,511

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	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Reconciliation of (loss)/profit to EBITDA and adjusted EBITDA (non-IFRS measure) for the year/period:					
(Loss)/profit for the year/period	(283)	3,643	147,128	34,691	125,631
Add:					
Net finance costs	46	814	1,573	732	625
Income tax (credit)/expense	(998)	(891)	47,694	12,257	35,443
Depreciation	11,944	7,543	5,088	2,139	1,974
Amortization	155	230	305	118	132
EBITDA (non-IFRS measure)	10,864	11,339	201,788	49,937	163,805
Add:					
Share-based compensation ⁽¹⁾	15,823	(7,282)	36,948	17,343	11,124
Changes in the carrying amount of financial instruments with preferred rights ⁽²⁾	84,083	141,561	155,718	63,084	69,392
[REDACTED]⁽³⁾	26,669	9,640	23,467	8,687	5,404
Adjusted EBITDA (non-IFRS measure)	137,439	155,258	417,921	139,051	249,725

Notes:

- (1) Share-based compensation relates to the share options that we have granted under our share incentive plan, which is a non-cash expense.
- (2) As disclosed in Note 24 in the Accountants' Report contained in Appendix I to this document, the Group recognized the financial liabilities arising from the redemption obligations at present value of redemption amount, with changes in such carrying amounts being booked in profit or loss, based on the shareholders' agreement entered into among the Company, certain members of the Group and each of the Company's shareholders in May 2022. When the preferential rights are automatically terminated upon the [REDACTED], the carrying amount of the financial liabilities then will be reclassified from current liabilities to other reserve with no further gain or loss. Furthermore, changes in carrying amount of financial instruments with preferred rights are non-cash in nature.
- (3) [REDACTED] relate to expenses incurred for this [REDACTED] of the Company.

Our adjusted profit for the year (non-IFRS measure) increased from RMB126.3 million in 2022 to RMB147.6 million in 2023, mainly because (i) an increase in revenue as a result of an increase in revenue derived from matching services for financial institutions due to increases in both average monthly paying users and annual transaction value, partially offset by a decrease in revenue derived from Yangxiaomie, (ii) a decrease in research and development expenses of RMB13.8 million as compared to 2022, and (iii) a decrease in impairment loss on financial assets of RMB6.8 million (iv) a decrease in salaries and benefits and depreciation and amortization expense in general and administrative expenses of RMB8.8 million, partially offset by (v) an increase in sales and marketing expenses of RMB61.5 million. Our adjusted profit for the year (non-IFRS measure) increased from RMB147.6 million in 2023 to RMB363.3 million in 2024, mainly due to (i) a substantial increase in our overall revenue as a result of an increase in revenue derived from Yangxiaomie, primarily driven by an increase in the aggregate goods transaction value we facilitated, partially offset by a decrease in revenue derived from Consumption Guide and financial institutions, (ii) a decrease in cost of sales of RMB130.9 million in 2024 as compared to 2023, partially offset by (iii) an increase in sales and marketing expenses of RMB360.9 million, (iv) an increase in general and administrative expenses of RMB46.6 million, and (v) an increase in income tax expense of RMB48.6 million in 2024 as compared to income tax credit in 2023. Our adjusted profit for the period (non-IFRS measure) increased from RMB123.8 million for the five months ended May 31, 2024 to RMB211.6 million for the five months ended May 31, 2025, primarily attributable to a substantial increase in revenue generated from Yangxiaomie. See “Financial Information — Review of Historical Results of Operations” for details.

SUMMARY

Revenue

During the Track Record Period, our revenue was primarily generated from the provision of matching services to business partners and, to a small extent, from advertisement placement. Our total revenue was RMB475.3 million, RMB529.7 million, RMB993.0 million, RMB 299.9 million and RMB414.1 million for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, respectively. See “Business— Our Business Model.”

Our total revenue increased by RMB114.2 million, or 38.1%, from RMB299.9 million for the five months ended May 31, 2024 to RMB414.1 million for the five months ended May 31, 2025, primarily due to a significant increase in revenue from Yangxiaomie of RMB152.6 million, partially offset by a decrease in revenue from (i) Consumption Guide of RMB6.0 million; and (ii) a significant decrease in revenue from matching services for financial institutions of RMB30.2 million.

Our total revenue increased by RMB463.3 million, or 87.5%, from RMB529.7 million in 2023 to RMB993.0 million in 2024, primarily due to a significant increase in revenue derived from Yangxiaomie, partially offset by a decrease in revenue derived from Consumption Guide and matching services for financial institutions. See “Financial Information — Review of Historical Results of Operations” for further details.

Our total revenue increased by RMB54.4 million, or 11.4%, from RMB475.3 million in 2022 to RMB529.7 million in 2023, primarily due to an increase in revenue derived from matching services for financial institutions, which was partially offset by a decrease in revenue derived from Yangxiaomie.

Cost of Sales

Our cost of sales primarily consists of (i) salaries and benefits for our business and operations staff, (ii) data service cost in relation to matching services for information verification purposes supporting matching services for our financial institution clients, see “Business — Other Businesses — Historical matching services for financial institutions” for details, (iii) technology and outsourcing service cost, primarily in relation to cost of technology systems integration and operational services provided by third party suppliers, (iv) cloud services cost, (v) telecommunication cost incurred from the text messages to end customers, (vi) share-based compensation for our business and operations staff and (vii) others.

Our cost of sales increased by RMB2.7 million, or 24.3%, from RMB11.1 million for the five months ended May 31, 2024 to RMB13.8 million for the five months ended May 31, 2025, primarily due to (i) an increase in salaries and benefits attributable to the expansion of Yangxiaomie, which required the recruitment of additional staff; (ii) an increase in technology and outsourcing service cost due to the change of settlement method, partially offset by the decrease in telecommunication costs due to the cessation of matching services for financial institutions in July 2024 which reduced the need for SMS services.

Our cost of sales decreased by RMB130.9 million, or 80.8%, from RMB162.0 million in 2023 to RMB31.1 million in 2024, primarily due to (i) a decrease in Internet operation cost, which was attributable to a decrease in the portion of revenue we shared with Weidaoyun, as we shared 20% of revenue generated through Consumption Guide with Weidaoyun in 2024 as compared to 50% to 70% of revenue derived from marketplace suppliers introduced by Weidaoyun in 2023, (ii) a decrease in salaries and benefits due to streamlining our personnel, partially offset by (i) an increase in share-based compensation, and (ii) an increase in technology and outsourcing services cost.

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Our cost of sales decreased by RMB0.5 million, or 0.3%, from RMB162.5 million in 2022 to RMB162.0 million in 2023, primarily due to (i) a decrease in salaries and benefits due to streamlining our personnel, (ii) a decrease in cloud services cost achieved through a series of measures we have implemented aimed at optimizing resource utilization, (iii) a decrease in technology and outsourcing services cost, partially offset by an increase in the marketing cost for Consumption Guide’s offline and online marketing activities for promotional purposes, which is included in the Internet operation cost.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. For the years ended December 31, 2022, 2023, 2024 and for the five months ended May 31, 2024 and 2025, our gross profit was RMB312.8 million, RMB367.7 million, RMB961.9 million, RMB288.8 million and RMB400.3 million, respectively, and our gross profit margin was 65.8%, 69.4%, 96.9%, 96.3% and 96.7%, respectively.

Our gross profit increased by RMB111.5 million, or 38.6%, from RMB288.8 million for the five months ended May 31, 2024 to RMB400.3 million for the five months ended May 31, 2025. Our gross profit margin remained relatively stable at 96.3% and 96.7% for the five months ended May 31, 2024 and 2025, respectively.

Our gross profit increased by RMB594.2 million, or 161.6%, from RMB367.7 million for in 2023 to RMB961.9 million in 2024. Our gross profit margin increased from 69.4% in 2023 to 96.9% in 2024, primarily due to an increase in our total revenue, particularly driven by the growth of Yangxiaomie, and a decrease in our cost of sales, which is primarily attributable to a decrease in Internet operation cost in relation to Weidaoyun upon the transformation of targeted marketplace suppliers of Consumption Guide. See “Business — Our Online Marketplaces — Consumption Guide (消費地圖) — Marketplace Suppliers on Consumption Guide — Transformation of Targeted Marketplace Suppliers of Consumption Guide” for details of the transformation of targeted Marketplace Suppliers on Consumption Guide.

Our gross profit increased by RMB54.9 million, or 17.6%, from RMB312.8 million in 2022 to RMB367.7 million in 2023, which was generally in line with the increase in our total revenue. Our gross profit margin increased from 65.8% in 2022 to 69.4% in 2023 primarily due to the stabilization of the cost of sales related to revenue derived from the operation of Consumption Guide as its business and operation continued to mature in 2023.

(Loss)/profit for the Year/Period

We turned from a loss for the year of RMB0.3 million in 2022 to a profit for the year of RMB3.6 million in 2023, mainly driven by the increase in revenue derived from financial institutions due to increases in both average monthly paying users and annual transaction value. Our profit for the year increased from RMB3.6 million in 2023 to RMB147.1 million in 2024, primarily attributable to a substantial increase in our overall revenue as a result of an increase in revenue derived from Yangxiaomie, primarily driven by an increase in the aggregate goods transaction value we facilitated. Our profit for the period increased from RMB34.7 million for the five months ended May 31, 2024 to RMB125.6 million for the five months ended May 31, 2025, primarily due to a significant increase in our revenue generated from Yangxiamie driven by the successful advertising and marketing campaign for Yangxiaomie, the benefits of which have continued into 2025, resulting in a substantial increase in transaction volume for the five months ended May 31, 2025. Additionally, the positive effect of onboarding of Pop Store A in 2024 has extended into this year.

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CERTAIN COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth key components of our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	43,573	26,982	22,380	21,029
Total current assets	358,549	587,085	978,912	1,214,584
Total current liabilities	1,491,360	1,685,990	1,890,051	1,988,056
Net current liabilities	(1,132,811)	(1,098,905)	(911,139)	(773,472)
Non-current liabilities	141	21,092	20,157	19,535
Net liabilities	(1,089,379)	(1,093,015)	(908,916)	(771,978)

Our net liabilities decreased from RMB908.9 million as of December 31, 2024 to RMB772.0 million as of May 31, 2025. This decrease was primarily due to an increase in profit and other comprehensive income for the period of RMB125.8 million and share-based compensation of RMB11.1 million.

Our net liabilities decreased from RMB1,093.0 million as of December 31, 2023 to RMB908.9 million as of December 31, 2024. This decrease was primarily due to an increase in profit and other comprehensive income for the year of RMB147.2 million and share-based compensation of RMB36.9 million.

Our net liabilities increased from RMB1,089.4 million as of December 31, 2022 to RMB1,093.0 million as of December 31, 2023. This increase was primarily due to a reversal of share-based compensation of RMB7.3 million, partially offset by an increase in profit and other comprehensive income for the year of RMB3.6 million.

For details of changes in equity during the Track Record Period, please see our consolidated statements of changes in equity included in Appendix I to this Document.

Our financial instruments with preferred rights will be reclassified from current liabilities to other reserve with no further gain or loss when the preferential rights are automatically terminated upon the [REDACTED]. Afterwards, we expect that we will revert back to a net assets position from a net liabilities position as changes in the carrying amount of financial instruments with preferred rights no longer exists after the automatic conversion of our preferred shares to equity upon the [REDACTED] and are non-cash in nature. Taking into account the above and the financial resources available to us, including cash flows from operating activities, cash and cash equivalents at the end of the Track Record Period, the estimated [REDACTED] of the [REDACTED] and bank and other borrowings, the Directors are of the view that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this document.

Our net current liabilities decreased from RMB911.1 million as of December 31, 2024 to RMB773.5 million as of May 31, 2025, primarily due to (i) an increase in trade receivables of RMB105.4 million resulting from the revenue growth; and (ii) an increase in cash and cash equivalents of RMB114.1 million mainly attributable to the profit generated from the business, partially offset by an increase in financial instruments with preferred rights of RMB69.4 million due to changes in their carrying amount.

Our net current liabilities decreased from RMB1,098.9 million as of December 31, 2023 to RMB911.1 million as of December 31, 2024, primarily due to an increase in cash and cash equivalents of RMB202.9 million mainly driven by an increase in profit for the year ended December 31, 2024 as compared to

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profit for the year ended December 31, 2023 and an increase in trade receivables of RMB195.1 million resulting from the increase in trade receivables due from Yingtan Guangda, partially offset by an increase in financial instruments with preferred rights of RMB155.7 million, as a result of an increase in changes in the carrying amount of financial instruments with preferred rights, and increases in trade payables of RMB30.4 million.

Our net current liabilities decreased from RMB1,132.8 million as of December 31, 2022 to RMB1,098.9 million as of December 31, 2023, primarily due to an increase in trade receivables of RMB185.0 million resulting from the significant uptick in revenue from Yangxiaomie in the latter half of 2023; partially offset by an increase in financial instruments with preferred rights of RMB141.6 million, as a result of an increase in changes in the carrying amount of financial instruments with preferred rights, and increases in contract liabilities of RMB20.8 million and the current portion of bank and other borrowings of RMB23.0 million.

Selected Items from the Consolidated Statements of Cash Flows

The following table is a condensed summary of our consolidated statements of cash flows and analysis balances of cash and cash equivalents for the periods indicated:

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Net cash flows generated from/(used in) operating activities	763	(15,485)	206,181	(74,470)	97,683
Net cash flows generated from/(used in) investing activities	38,501	29,561	4,230	4,395	(22)
Net cash flows (used in)/generated from financing activities	(10,567)	19,781	(7,451)	(2,935)	16,539
Net increase/(decrease) in cash and cash equivalents	28,697	33,857	202,960	(73,010)	114,200
Cash and cash equivalents at beginning of year/period	48,483	77,180	110,989	110,989	313,936
Effect of foreign exchange rate changes	—	(48)	(13)	(41)	(86)
Cash and cash equivalents at end of year/period	77,180	110,989	313,936	37,938	428,050

We recorded net cash used in operating activities of RMB15.5 million for the year ended December 31, 2023 because our negative changes in our working capital had outweighed our operating profit before working capital changes, which was mainly attributable to the increase in trade receivables.

For the analysis of cash flows during the Track Record Period, see “Financial Information—Liquidity and Capital Resources—Cash Flow” for details.

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Key Financial Ratios

The following table sets forth certain key financial ratios as of the dates indicated:

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2022	2023	2024	2024 (unaudited)	2025
Return on equity ⁽¹⁾	0.1%	(0.3)%	(14.7)%	N/A	(36.1)%
Return on total assets ⁽²⁾	(0.1)%	0.7%	18.2%	N/A	27.2%
Current ratio ⁽³⁾	0.2	0.3	0.5	N/A	0.6
Gross profit margin ⁽⁴⁾	65.8%	69.4%	96.9%	96.3%	96.7%
Net (loss)/profit margin ⁽⁵⁾	(0.1)%	0.7%	14.8%	11.6%	30.3%
Adjusted net margin (non-IFRS measure) ⁽⁶⁾	26.6%	27.9%	36.6%	41.3%	51.1%
Adjusted EBITDA margin (non-IFRS measure) ⁽⁷⁾	28.9%	29.3%	42.1%	46.4%	60.3%

Note:

- (1) Return on equity ratio is profit for the year as a percentage of the average balance of total equity at the beginning and the end of the year and multiplied by 100%. The ratio for the five months ended May 31, 2024 and 2025 is annualized by dividing the profit for the period by the number of days in the period and multiplying by 365, and then dividing by the average balance of total equity at the beginning and the end of the period, with the result expressed as a percentage. The annualized ratio is solely for the purpose of being comparable to prior years, and may not be indicative of actual results.
- (2) Return on total assets ratio is profit for the year as a percentage of the average balance of total assets at the beginning and the end of the year and multiplied by 100%. The ratio for the five months ended May 31, 2024 and 2025 is annualized by dividing the profit for the period by the number of days in the period and multiplying by 365 and then dividing by the average balance of total assets at the beginning and the end of the period, with the result expressed as a percentage. The annualized ratio is solely for the purpose of being comparable to prior years, and may not be indicative of actual results.
- (3) Current ratio is total current assets as of year-end divided by total current liabilities as of year-end.
- (4) Gross profit margin is gross profit for the year as a percentage of revenue.
- (5) Net (loss)/profit margin is (loss)/profit for the year as a percentage of revenue.
- (6) Adjusted net margin (non-IFRS measure) equals adjusted profit (non-IFRS measure) divided by revenues for the year and multiplied by 100%.
- (7) Adjusted EBITDA margin (non-IFRS measure) equals adjusted EBITDA (non-IFRS measure) divided by revenues for the year and multiplied by 100%.

DIVIDEND

During the Track Record Period, no dividend has been paid or declared by our Company. Our Group currently does not have a dividend policy.

We are a holding company incorporated under the laws of the Cayman Islands. We recorded net liabilities during the Track Record Period, primarily due to financial instruments with preferred rights issued to investors through our shareholders’ agreements. Our financial instruments with preferred rights will be reclassified from current liabilities to other reserve with no further gain or loss when the preferential rights are automatically terminated upon the [REDACTED]. Afterwards, we do not expect to recognize any further loss or gain from changes in carrying amount of financial instruments with preferred rights and we expect to revert back to a net assets position from a net liabilities position. In addition, as advised by Harney Westwood & Riegels, our legal advisor on Cayman Islands law, under Cayman Islands law, a position of net liabilities does not necessarily restrict our Company from declaring and paying dividends to our Shareholders out of either our profit or credit standing in our share premium account, provided this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business. However, our payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting

SUMMARY

principles, which may differ in certain aspects from the generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends.

After completion of the [REDACTED], our Company’s Shareholders will be entitled to receive dividends we declare. Any amount of dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, our development pipeline, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. See “Appendix III — Summary of the Articles of our Company and Cayman Companies Act” for further details. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Dividends declared in the past may not be indicative of our future dividend policy. Our Directors has the absolute discretion to recommend any dividend. There is no assurance that our Company will be able to declare dividends of such any amount each year or in any year.

[REDACTED]

The numbers in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] Shares are issued and sold in the [REDACTED], (ii) the [REDACTED] is not exercised, and (iii) [REDACTED] Shares are issued and outstanding following the completion of the [REDACTED].

	Based on an [REDACTED] of HK\$[[REDACTED]] per Share	Based on an [REDACTED] of HK\$[[REDACTED]] per Share
[REDACTED] after completion of the		
[REDACTED]	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] adjusted net tangible		
assets per Share	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) All statistics in this table are presented based on the assumption that the [REDACTED] is not exercised.
- (2) The calculation of [REDACTED] is based on [REDACTED] Shares expected to be in issue and outstanding following the completion of the [REDACTED].
- (3) The unaudited [REDACTED] adjusted net tangible assets per Share is calculated after the adjustments referred to in “Appendix II — Unaudited [REDACTED] Financial Information” to this document and on the basis that 513,347,500 Shares were in issue assuming that the [REDACTED] had been completed on [REDACTED] without taking into account of any shares which may be issued upon the exercise of the [REDACTED] and any shares which may be [REDACTED] or [REDACTED] by the Company pursuant to the general mandates.

CONTRACTUAL ARRANGEMENTS

We provide matching services for our business partners on our online marketplaces (the “**Relevant Businesses**”) through our Consolidated Affiliated Entities in the PRC. Relevant PRC laws and regulations restrict foreign ownership of value-added telecommunications service providers. As a result of such restrictions, investments in certain areas of the industries in which we currently operate and may operate are subject to restrictions under current PRC laws and regulations and therefore it was not viable for our Company to hold our Consolidated Affiliated Entities directly through equity ownership. Instead, we decided that, in line with common practice in the PRC for industries subject to foreign investment restrictions, we would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by our Consolidated Affiliated Entities through the Contractual Arrangements between the WFOE, on the one hand, and our Consolidated Affiliated Entities and Beijing Xitui, on the other hand. The contractual arrangements will

SUMMARY

constitute non-exempt continuing connected transactions under Chapter 14A of Listing Rules upon [REDACTED]. See “Connected Transactions” and “Contractual Arrangements” for further details.

OUR GROUP OF CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our group of Controlling Shareholders, comprising Dr. Zhou, Mars Legend, SJY Family Holdings, Mars Digitech Limited, Dr. Zhou Trust, Mercury Valley, JHY Family Holdings Limited, Mercury Digitech Limited, Sun Jinghuai Trust and Ms. Sun, were entitled to exercise the voting power associated with approximately 45.21% of the issued share capital of our Company in aggregate as of the Latest Practicable Date.

Immediately after the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Zhou will cease to exercise any voting power associated with the Shares held by Jupiter Rock and Venus Energy, being our two employee shareholding platforms, associated with the unvested RSUs, and our group of Controlling Shareholders will be entitled to exercise the voting power associated with approximately 30.72% of the issued share capital of our Company at general meetings of the Company. See “Relationship with our Controlling Shareholders” for further details.

RISK FACTORS

Our business and the [REDACTED] involved certain risks, which are set out in the section headed “Risk Factors” in this document. You should read that section in its entirety before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include:

- Due to our limited operating history in new and developing markets, our ability to accurately predict our future operating results and prospects is limited and subject to a number of uncertainties.
- We face intensive competition in the markets in which we operate and some of our competitors may have greater resources or brand recognition than us.
- If we fail to improve and enhance the functionality, performance, reliability, design, security, and scalability of our services to suit our business partners’ evolving needs, our business partners may not continue to purchase our services, which in turn will have a material and adverse impact on our business, financial condition, results of operations and prospects.
- Any material change in end customer demand or preferences, or any unexpected situation with a negative impact on market demand may materially and adversely affect our business and results of operations.
- 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.
- As we expand our business partner base and increase the size and capabilities of our organization, we may experience difficulties in managing and sustaining our growth.
- Our arrangements with our business partners are typically not exclusive. Failure to maintain relationships with existing business partners, especially our major business partners, or develop new ones may materially and adversely affect our business and results of operations.
- Our business, growth and prospects are significantly affected by the growth in online marketplaces for consumption industry and usage of matching services in China.

SUMMARY

- If our services or the goods and services of our business partners contain serious errors or defects, we may lose our sources of revenue and our business partners may lose confidence in our services. In addition, we may incur significant costs defending or settling claims with our business partners or end customers as a result of such serious errors or defects.
- If we fail to obtain or maintain the requisite licenses, permits and approvals applicable to our business, or fail to obtain additional licenses that become necessary as a result of enactment or promulgation of new laws and regulations or the expansion of our business, our business, financial condition and results of operations may be materially and adversely affected.

[REDACTED]

Assuming an [REDACTED] of HK\$[[REDACTED]] per Share (being the mid-point of the indicative [REDACTED] range stated in this document), the [REDACTED], commissions, together with the Stock Exchange [REDACTED], SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the [REDACTED], which are payable by us are estimated to amount in aggregate to be approximately RMB[REDACTED] million, accounting for [REDACTED] of the total [REDACTED], which consist of (i) [REDACTED]-related expenses (including but not limited to commissions and fees) of approximately RMB[REDACTED] million, and (ii) non-[REDACTED]-related expenses of approximately RMB[REDACTED] million, including (a) fees and expenses of legal advisors and reporting accountants of approximately RMB[REDACTED] million, and (b) other fees and expenses of approximately RMB[REDACTED] million. For the years ended December 31, 2021, 2022, 2023 and 2024 and for the five months ended May 31, 2025, [REDACTED] charged to our consolidated profit or loss was RMB5.9 million, RMB26.7 million, RMB9.6 million, RMB23.5 million and RMB5.4 million, respectively. The estimated remaining [REDACTED] of RMB[REDACTED] million is expected to be charged to our consolidated statement of profit or loss and other comprehensive income and approximately RMB[REDACTED] million, which accounts for [REDACTED]% of the total [REDACTED], is expected to be deducted from equity following the [REDACTED]. The [REDACTED] above are the latest practicable estimate and are provided for reference only, and actual amounts may differ. The aggregate [REDACTED] for the [REDACTED] is expected to be determined following book closing after publication of this document, and is subject to a number of factors, including, amongst others, the final [REDACTED], the quality of investors brought in by the relevant [REDACTED] and the [REDACTED] level of the [REDACTED].

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting [REDACTED], fees and estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised, and at the [REDACTED] of HK\$[[REDACTED]] per Share (being the mid-point of the indicative [REDACTED] range of between HK\$[[REDACTED]] and HK\$[[REDACTED]] per Share).

- Approximately [REDACTED]%, or HK\$[[REDACTED]] million, will be allocated to enhance our research and development capabilities and improve our technology infrastructure, including (1) enhancing our service offering and building and purchasing big data storage capacity; and (2) recruiting more talent in our research and development team;
- Approximately [REDACTED]%, or HK\$[[REDACTED]] million, will be allocated to build and expand our proprietary local consumption apps and promoting our business model, such as building and promoting our brand by cooperating with upstream and downstream business partners to vitalize local economies with our online marketplaces and recruiting more talent in on-the-ground sales team to enhance our sales capabilities;

SUMMARY

See “Future Plans and [REDACTED]” for further details.

RECENT DEVELOPMENT

Business and Regulatory Development

In the five months ended May 31, 2025, we had facilitated automobile sales of 1,755 automobiles with a transaction value of RMB 1,113.5 million. As of May 31, 2025, over 12,000 automobiles were sold under the collaboration between us and Auto Partner A. Moving forward, we plan to gradually implement a series of initiatives to convert offline traffic into online users on the Consumption Guide platform, including, but not limited to, strengthening our marketing efforts and continuously accumulating an active user base from the distribution of discount coupons on Consumption Guide. See “Business — Our Online Marketplaces — Consumption Guide (消費地圖) — Marketplace Suppliers on Consumption Guide — Our cooperation with Auto Partner A” for further details.

On July 31, 2025, the State Administration for Market Regulation has published the Guidelines for Online Transaction Platforms’ Compliance in Charging Fees (《網絡交易平台收費合規指南》) which aims to standardize how online transaction platforms charge merchants for services, such as commission fees, membership fees, technical service charges, information fees, and marketing expenses. Under our online marketplaces for consumption, our transactions with POP Store A and Auto Partner A may be subject to the guidelines. However, our Directors are of the view that the Guidelines would have no material impact on our operations and would have no adverse impact on our financial performance. See “Risk Factors — Risks relating to our Business and our Industry — Regulatory, legislative or self-regulatory developments for online businesses, including privacy and data protection regimes are expansive. These laws and regulations could create unexpected costs, subject us to enforcement actions for compliance failures, or restrict portions of our business or cause us to change our technology platform or business model” and “Regulatory Overview — Regulations related to Operations — Guidelines relating to fee charging practices” for further details.

In 2025, government subsidies for promoting automobile consumption have been increasingly being given in the form of direct subsidies instead of distribution of regional discount coupons. To adapt to such a trend, we proactively negotiated with Weidaoyun and Auto Partner A to update the terms of operation.

In July 2025, we have entered into revised agreements with Weidaoyun and Auto Partner A, respectively. According to the revised agreements, (1) Consumption Guide serves as the exclusive online display and marketing channel for the retail of automobiles in three regions in addition to Northern China, namely, (1) Xining, Qinghai Province; (2) Shihezi, Xinjiang Uygur Autonomous Region; and (3) Sanya, Hainan Province, which are with relatively strong subsidy support; and (2) Weidaoyun’s responsibilities will be expanded to include collating information of government car purchase subsidy across the country for displaying on Consumption Guide. See “Business — Our Online Marketplaces — Consumption Guide (消費地圖) — Marketplace Suppliers on Consumption Guide” and “Business — Our Online Marketplaces — Consumption Guide (消費地圖) — Marketing Activities of Consumption Guide through Cooperation with Weidaoyun — Additional Marketing Services Provided by Weidaoyun” for more details. As a result of operating Consumption Guide under such optimized commercial terms with Weidaoyun and Auto Partner A, respectively, the MAU of Consumption Guide in August 2025 increased to 10,288, representing an increase by approximately 59.6% comparing against the MAU of Consumption Guide of 6,447 in August 2024.

Impact of COVID-19

The outbreak of COVID-19 has severely impacted the world. In an effort to contain the spread of COVID-19, countries around the world have taken precautionary measures that reduced economic activities, including temporary closure of corporate offices, retail outlets and manufacturing facilities and strict implementation of quarantine measures.

SUMMARY

Since December 2022, many governments have started to ease their zero-COVID policy, including removing mass testing and central quarantine requirements and lifting travel restrictions. Driven by the pivot in COVID-19 policies and the early Chinese New Year holiday season, many offline business operations and consumer traffic across mainland China have started to recover since 2023. Offline businesses across China have resumed full operations, fueling the development of Consumption Guide, which promotes offline transactions through online marketing.

After due and careful consideration of our Directors, the Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since May 31, 2025, being the latest date of our consolidated financial statements as set out in Appendix I to this document, and there is no event since May 31, 2025 that would materially affect the information as set out in the Accountants’ Report included in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below.

“4S store”	automobile dealerships that integrate four primary functions, namely sales, spare parts, service, and survey
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Accountants’ Report”	the accountant’s report of the Company dated [●], the text of which is set out in Appendix I of this document
“AFRC”	Accounting and Financial Reporting Council
“Articles” or “Articles of Association”	of the articles of association of the Company (as amended from time to time), conditionally adopted on [●] with effect from the [REDACTED], a summary of which is set out in “Summary of the Constitution of our Company and the Cayman Companies Act” in Appendix III to this document
“Audit Committee”	the audit committee of the Board
“Auto Partner A”	an automobile sales company that entered into a mutual cooperation agreement with the Company in January 2024 in connection with the transformation of Consumption Guide into an automobile retail O2O marketplace
“Banking Ordinance”	the Banking Ordinance, Chapter 155 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Beijing Quant”	Beijing Unidance Intelligent Information Technology Co., Ltd.* (北京宇動智能信息技術有限公司), formerly known as Beijing Quant Group Technology Co., Ltd.* (北京量化派科技有限公司), a company incorporated in the PRC with limited liability on March 28, 2017 and a wholly-owned subsidiary of Liangzi Data
“Beijing Xitui”	Beijing Xitui Technology Co., Ltd. (北京喜推科技有限公司), a company established in the PRC with limited liability on January 12, 2022
“Beijing Xitui Shareholder(s)”	registered shareholder(s) of Beijing Xitui, namely Digu Investment, Dr. Zhou, Fengsheng Zhongcheng, Fengsheng Zhongchuang, Fuhai Yichuang, Gaorong Capital, Gongqingcheng Shangpeng, Jiangmen Growth, Jiaqing Investment, Jinxing Liliang, Muxing Shanshi, Shanghai Chuyuan, Shanghai Tairong, Shitai Point, Sunshine Life Insurance, Tianyi Point, Yadong Xingchen, Yadong Xinqi, Zhiben Suyuan, Zhiwei Zhizhang and Zhonghe Zhonghui
“Board” or “Board of Directors”	the board of directors of our Company

DEFINITIONS

“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“business partner(s)”	marketplace suppliers and financial institutions which offer goods and services to their target end customers through our apps
“BVI”	the British Virgin Islands
“Cayman Companies Act”	the Companies Act (2023 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time
“CAC”	the Cyberspace Administration of China (國家互聯網信息辦公室)
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this document, Hong Kong SAR, Macau SAR and Taiwan, China

[REDACTED]

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Quantgroup Holding Limited (量化派控股有限公司) (formerly known as Quantgroup Technology Limited (量化派科技有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on March 31, 2022
“Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, namely Liangzi Data and Beijing Quant. See “History, Reorganization and Corporate Structure” and “Contractual Arrangements” for further details of these entities
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, WFOE, Beijing Xitui and Liangzi Data. See “Contractual Arrangements” for details

DEFINITIONS

“Controlling Shareholders”	has the meaning ascribed thereto in the Listing Rules and, unless the context otherwise requires, refers to our group of Controlling Shareholders, namely Dr. Zhou, SJY Family Holdings, Mars Legend, Mars Digitech Limited, Dr. Zhou Trust, Mercury Valley, JHY Family Holdings Limited, Mercury Digitech Limited, Sun Jinghuai Trust and Ms. Sun. See “Relationship with Our Controlling Shareholders” for further details
“COVID-19”	coronavirus disease 2019, a coronavirus known to cause contagious respiratory illness
“Credit Wallet”	an app operated by Beijing Quant and the predecessor of Yangxiaomie
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Digu Investment”	Pingxiang Digu Investment Management Partnership (Limited Partnership)* (萍鄉市狄穀投資管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on March 1, 2016, a Liangkebang Shareholder and a Beijing Xitui Shareholder
“Director(s)”	the director(s) of our Company
“Dr. Zhou”	Dr. Zhou Hao (周灝), our founder, an executive Director and one of the members of our group of Controlling Shareholders
“Dr. Zhou Trust”	a discretionary trust named SJY Trust established by Dr. Zhou (as the settlor) and Futu Trustee Limited (as the trustee), for the benefit of Mars Digitech Limited, Dr. Zhou’s wholly-owned limited liability company incorporated in the BVI, and one of the members of our group of Controlling Shareholders
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong SAR
“Fengsheng Zhongchuang”	Hainan Fengsheng Zhongchuang Enterprise Management Partnership (Limited Partnership)* (海南豐升眾創企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on December 27, 2021 and a Beijing Xitui Shareholder
“Fengsheng Zhongcheng”	Hainan Fengsheng Zhongcheng Enterprise Management Partnership (Limited Partnership)* (海南豐升眾誠企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on December 27, 2021 and a Beijing Xitui Shareholder
“Fengshi Shengmao”	Xinjiang Fengshi Shengmao Equity Investment Management Company Limited* (新疆峰石盛茂股權投資管理有限公司), a limited liability company incorporated in the PRC on February 4, 2015 and a Liangkebang Shareholder

DEFINITIONS

“financial institution(s)” institution(s) including commercial bank(s), consumer loan company(ies), insurance company(ies), financial guarantee company(ies) and other institution(s) specialized in financing services

[REDACTED]

“FITE Regulations” Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council on December 11, 2001 and last amended on March 29, 2022

“Foreign Investment Law” the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) adopted by the National People’s Congress on March 15, 2019 with effect from January 1, 2020

“Frost & Sullivan Report” a report that Frost & Sullivan produced on the online marketplaces for consumption market in China

“Fuhai Yichuang” Zhuhai Fuhai Yichuang Information Technology Venture Capital Fund (L.P.)* (珠海富海鐸創信息技術創業投資基金(有限合夥)), a limited liability partnership established in the PRC on October 16, 2014, a Shareholder, a Liangkebang Shareholder and a Beijing Xitui Shareholder

“Gaorong Capital” Gaorong Capital (Shenzhen) Investment Center (Limited Partnership)* (高榕資本(深圳)投資中心(有限合夥)), a limited liability partnership established in the PRC on June 11, 2014, a Liangkebang Shareholder and a Beijing Xitui Shareholder

[REDACTED]

“Gongqingcheng Shangpeng” Gongqingcheng Shangpeng Investment Management Partnership (Limited Partnership)* (共青城尚鵬投資管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on June 4, 2015, a Liangkebang Shareholder and a Beijing Xitui Shareholder

“Group,” “our Group,” “the Group,” “we,” “us,” or “our” our Company, our subsidiaries and the Consolidated Affiliated Entities, including where the context otherwise requires, any companies and businesses transferred to our Group as part of the Reorganization (as the case may be)

“Guide for New Listing Applicants” the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)

“Hainan Quant” Hainan Quant Technology Co., Ltd.* (海南量化派科技有限公司), a company incorporated in the PRC with limited liability on June 28, 2023 and a wholly-owned subsidiary of the WFOE

DEFINITIONS

“Hengqin Chuangrong”	Huzhou Hengqin Chuangrong Equity Investment Company Limited* (湖州橫琴創融股權投資有限公司), a limited liability company incorporated in the PRC on October 19, 2016, and a Liangkebang Shareholder
“Historical Liangkebang Group”	the subsidiaries and affiliated entities under the historical Liangkebang group structure, including the Retained Liangkebang Group, Liangzi Data and its then subsidiaries prior to the Reorganization

[REDACTED]

“Hong Kong SAR” or “HK SAR”	the Hong Kong SAR Special Administrative Region of the PRC
“Hong Kong SAR dollar(s)”, “HKD” or “HK\$”	Hong Kong SAR dollars, the lawful currency of Hong Kong SAR

[REDACTED]

DEFINITIONS

[REDACTED]

“Huijucheng Technology”	Beijing Huijucheng Technology Development Co., Ltd.* (北京惠聚城科技發展有限公司), a company incorporated in the PRC with limited liability on May 30, 2022 and a wholly-owned subsidiary of the WFOE
“ICP License(s)”	Value-added Telecommunications Services Operating Permit (增值電信業務經營許可證) for internet information service
“IFRS Accounting Standards”	IFRS Accounting Standards as issued by the International Accounting Standards Board
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

[REDACTED]

“Jiangmen Growth”	Beijing Jiangmen Growth Venture Capital Center (L.P.)* (北京將門成長創業投資中心(有限合夥)), a limited liability partnership established in the PRC on September 28, 2015 and a Shareholder, a Liangkebang Shareholder and a Beijing Xitui Shareholder
“Jiaqing Investment”	Xizang Jiaqing Investment Co. Ltd* (西藏嘉慶投資有限公司), a limited liability company incorporated in the PRC on August 9, 2015 and a Shareholder, a Liangkebang Shareholder and a Beijing Xitui Shareholder

DEFINITIONS

“Jinxing Liliang”	Beijing Jinxing Liliang Enterprise Management Partnership (Limited Partnership)* (北京金星力量企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on November 30, 2021 and the onshore employee shareholding platform established by the Company
[REDACTED]	
“Joint Sponsors”	China International Capital Corporation Hong Kong Securities Limited and CITIC Securities (Hong Kong) Limited
“Jupiter Rock”	Jupiter Rock Limited, a company incorporated in the BVI on April 27, 2022, an indirect wholly-owned subsidiary of the Trustee and one of our offshore employee shareholding platforms
“Latest Practicable Date”	[March 28, 2025] being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document
“Liangkebang”	Beijing Liangkebang Information Technology Co., Ltd.* (北京量科邦信息技術有限公司), a company incorporated in the PRC with limited liability on January 28, 2014
“Liangkebang Shareholder(s)”	a registered shareholder of Liangkebang prior to the acquisition of Liangzi Data by Beijing Xitui from Liangkebang, namely, Digu Investment, Dr. Zhou, Fengshi Shengmao, Fuhai Yichuang, Gaorong Capital, Gongqingcheng Shanpeng, Hengqin Chuangrong, Jiangmen Growth, Jiaqing Investment, Meishan FTP Zhongka, Pingxiang Liangxing, Shitai Point, Sunshine Life Insurance, Tianyi Point, Wang Ni, Yadong Xingchen, Yadong Xinqi, Zhiben Suyuan, Zhiwei Zhizhang and Zhonghe Zhonghui. See “History, Reorganization and Corporate Structure — Reorganization — Acquisition of Liangzi Data by Beijing Xitui from Liangkebang” for further details
“Liangxingwen”	A generative artificial intelligence product developed by Liangzi Data which has not been launched yet and is not in operation
“Liangzi Data”	Quant Digit Tech Co., Ltd* (量子數科科技有限公司), formerly known as Beijing Zhongxin Limin Information Technology Co., Ltd.* (北京眾信利民信息技術有限公司), a company incorporated in the PRC with limited liability on November 3, 2014 and one of our Consolidated Affiliated Entities

DEFINITIONS

[REDACTED]

“Listing Committee” the listing committee of the Stock Exchange

[REDACTED]

“Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Li Yan Trust” a discretionary trust named the Lee Family Foundation Trust established by Mr. Li Yan (as the settlor) and Futu Trustee Limited (as the trustee), for the benefit of Saturn Tornado Limited, Mr. Li’s wholly-owned limited liability company incorporated in the BVI

“M&A Rules” the Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定), jointly issued by the State-owned Assets Supervision and Administration Commission (國務院國有資產監督管理委員會), the MOFCOM, the SAT, the SAIC, the CSRC and the SAFE on August 8, 2006 and re-issued by the MOFCOM on June 22, 2009

“Macau SAR” the Macau Special Administrative Region of the PRC

“Main Board” the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange

“Mars Legend” Mars Legend Limited, a limited liability company incorporated in the BVI on March 30, 2022, and a Shareholder

[REDACTED]

“Meishan FTP Zhongka” Ningbo Meishan Free Trade Port Zhongka Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區眾咖投資管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on June 3, 2016 and a Liangkebang Shareholder

“Memorandum” or “Memorandum of Association” the memorandum of association of the Company (as amended from time to time), conditionally adopted on [●], a summary of which is set out in Appendix III to this document

“Mercury Valley” Mercury Valley Limited, a limited company incorporated in the BVI on March 30, 2022, and one of the members of our group Controlling Shareholders, which is beneficially owned by Ms. Sun

DEFINITIONS

“Muxing Shanshi”	Beijing Muxing Shanshi Enterprise Management Partnership (Limited Partnership)* (北京木星山石企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on November 30, 2021 and the onshore employee shareholding platform established by the Company
“Ms. Sun”	the spouse of Dr. Zhou and one of the members of our group Controlling Shareholders
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (formerly known as the Ministry of Information Industry)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	National Development and Reform Commission (中華人民共和國發展與改革委員會) of the PRC
“Negative List”	Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Edition) (外商投資准入特別管理措施(負面清單) (2024年版)), which became effective on November 1, 2024
“Nomination Committee”	the nomination committee of our Board

[REDACTED]

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC

DEFINITIONS

“Pingxiang Liangxing”	Pingxiang Liangxing Investment Management Partnership (Limited Partnership)* (萍鄉量星投資管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on March 1, 2016 and the onshore employee shareholding platform established by Liangkebang
“Platform Open Plan” or “POP”	a scheme that enables marketplace suppliers to set up and operate their online stores on Yangxiaomie through our onboarding process
“POP Store A”	a consumer goods sales company that entered into a POP store onboarding cooperation agreement with the Company in May 2024
“PRC government” or “State”	the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them
“PRC Legal Advisor”	Grandway Law Offices, our legal advisor on PRC law

[REDACTED]

“purchase amount”	purchase amount including (i) data service cost, technology and outsourcing service cost, cloud services cost and telecommunication cost from our cost of sales, (ii) Internet advertising and promotion expenses and marketing expenses from our sales and marketing expenses, and (iii) total purchase amount paid to merchandise suppliers on Yangxiaomie
“QuantCube”	our technology platform established in 2014 and the predecessor of QuantPlanet
“Quantgroup Technology HK”	Quantgroup Technology HK Limited (量化派(香港)有限公司), a company incorporated in Hong Kong SAR with limited liability on April 20, 2022 and an direct wholly-owned subsidiary of our Company
“Quantgroup Technology Singapore”	Quantgroup Technology Pte. Ltd., a company incorporated in Singapore with limited liability on June 27, 2024 and a direct wholly-owned subsidiary of our Company
“Quantgroup Technology US”	Quantgroup Technology Inc, a company incorporated in California, the United States, on February 28, 2025 and an indirect wholly-subsi-dary of our Company

DEFINITIONS

“QuantPlanet”	our proprietary AI-powered technology platform powered by proprietary AI capabilities that allows our business partners from a wide range of consumption-related businesses retrieve orders in real time for their goods and services, the successor of QuantCube
“Quant-enabled online marketplaces powered by QuantPlanet”	Yangxiaomie and Consumption Guide
“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Persons”	[the Joint Sponsors, the [REDACTED]] the [REDACTED], any of their or the Company’s respective directors, officers, employees, partners, agents, advisors and any other parties involved in the [REDACTED]]
“Remuneration Committee”	the remuneration committee of our Board
“Retained Liangkebang Group”	Liangkebang and its subsidiaries which, when referring to entities previously being its subsidiaries, exclude Liangzi Data and its subsidiaries
“Reorganization”	the offshore and onshore reorganization as set out in “History, Reorganization and Corporate Structure — Reorganization”
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share unit granted under the RSU Schemes
“RSU Scheme(s)”	the 2022 RSU Scheme I and 2022 RSU Scheme II, each of which was adopted by way of resolutions by the Board on April 26, 2022
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAIC”	State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which is reformed and known as the State Administration of Market Regulation of the PRC (中華人民共和國市場監督管理總局) since March 21, 2018
“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT” or “State Administration of Taxation”	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SEC”	the Securities and Exchange Commission of the United States

DEFINITIONS

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Saturn Storm”	Saturn Storm Limited, a limited company incorporated in the BVI on March 30, 2022 and wholly owned by Mr. Li Yan, our executive Director
“Shanghai Chuyuan”	Shanghai Chuyuan Enterprise Management Partnership (Limited Partnership)* (上海蠡源企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on March 6, 2020, a Shareholder and a Beijing Xitui Shareholder
“Share(s)”	shares in the capital of our Company with a par value of US\$0.0001 each
“Shareholder(s)”	holder(s) of the Shares
“Shitai Point”	Lishui Shitai Saidian Equity Investment Fund Partnership (Limited Partnership)* (麗水時泰賽點股權投資基金合夥企業(有限合夥)), a limited liability partnership established in the PRC on February 14, 2017, a Shareholder, a Liangkebang Shareholder and a Beijing Xitui Shareholder
“SJY Family Holdings”	SJY Family Holdings Limited, a limited company incorporated in the BVI on April 28, 2022 and a Controlling Shareholder

[REDACTED]

“Standing Committee”	the Standing Committee of the National People’s Congress of the People’s Republic of China
“State Council”	the State Council of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

[REDACTED]

“Sun Jinghuai Trust”	a discretionary trust named the JHY Trust established by Ms. Sun (as the settlor) and Futu Trustee Limited (as the trustee), for the benefit of Ms. Sun’s wholly owned limited liability company incorporated in the BVI, Mercury Digitech Limited, and one of the members of our group of Controlling Shareholders
“Sunshine Life Insurance”	Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司), a joint stock company established on December 17, 2007 under the laws of the PRC with limited liability, a Shareholder, a Liangkebang Shareholder and a Beijing Xitui Shareholder
“SPV(s)”	special purpose vehicle(s)

DEFINITIONS

“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Tancheng Bank”	Shandong Tancheng Rural Commercial Bank Co., Ltd. (山東鄒城農村商業銀行股份有限公司), a joint stock company established on June 25, 2014 in the PRC with limited liability pursuant to the relevant PRC laws and regulations
“Technology Setup and Update”	the process of updating the technology setup under our matching services for financial institutions, after the Measures for the Administration of the Credit Reporting Business (《徵信業務管理辦法》) issued by the PBOC on September 27, 2021, to streamline the scope of our cooperation with financial institutions and other potential financial institutions and to amend or sign the relevant agreements so that financial institutions would be responsible for collecting any personal information of the end customers for credit assessment and no such personal information would flow through us, as described under the section headed “Business — Other Businesses — Historical matching services for financial institutions.”
“Tianjin Zimu”	Tianjin Zimu Jinke Technology Co., Ltd., (天津自牧金科科技有限公司), a limited liability company incorporated in the PRC on July 20, 2016 and a wholly-owned subsidiary of Liangkebang
“Tianyi Point”	Lishui Tianyi Saidian Equity Investment Fund Partnership (Limited Partnership)* (麗水天億賽點股權投資基金合夥企業 (有限合夥)), a limited liability partnership established in the PRC on February 14, 2017, a Shareholder, a Liangkebang Shareholder and a Beijing Xitui Shareholder
“Track Record Period”	the three financial years ended December 31, 2024 and the five months ended May 31, 2025
“Trustee”	Futu Trustee Limited, an independent and professional trustee appointed by our Company to act as the trustee of the RSU Schemes

[REDACTED]

“US\$” “USD” or “U.S. dollar(s)”	United States dollars, the lawful currency of the United States
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder

DEFINITIONS

“VAT”	value added tax
“Venus Energy”	Venus Energy Limited, a company incorporated in the BVI on April 27, 2022, an indirect wholly-owned subsidiary of the Trustee and one of our offshore employee shareholding platforms
“Voting Proxy Arrangement”	the voting proxy entered into by Jupiter Rock and Venus Energy that authorized Dr. Zhou for exercising the voting power on their behalf on the general meetings of our Company
“Weidaoyun”	Weidaoyun Beijing Technology Co., Ltd. (味道雲 (北京) 科技有限公司), a company established in the PRC on March 23, 2015
“WFOE” or “Hangzhou Quant Technology”	Hangzhou Quant Technology Limited* (杭州量化派科技有限公司) a wholly foreign-owned enterprise established in the PRC on May 5, 2022 by Quantgroup Technology HK, an indirect wholly-owned subsidiary of our Company

[REDACTED]

“Yadong Xingchen”	Yadong Xingchen Entrepreneurial Investment Co., Ltd.* (亞東星辰創業投資有限公司) (formerly known as Yadong Xingchen Investment Development Company Limited* (亞東星辰投資發展有限公司)), a limited liability company incorporated in the PRC on December 2, 2013, a Liangkebang Shareholder and a Beijing Xitui Shareholder
“Yadong Xinqi”	Yadong Xinqi Investment Management Company Limited* (亞東信齊投資管理有限公司), a limited liability company incorporated in the PRC on April 26, 2016, a Liangkebang Shareholder and a Beijing Xitui Shareholder
“Yangxiaomie”	a consumer-oriented app (including both mobile app and WeChat mini program) operated by Beijing Quant
“Yangxiaomie User(s)”	registered user(s) of Yangxiaomie
“Yingtian Guangda”	Yingtian Xinjiang Guangda Micro-lending Co., Ltd.* (鷹潭市信江廣達小額貸款股份有限公司), a company incorporated in the PRC with limited liability on March 8, 2013 and an indirect subsidiary of Liangkebang. Yingtian Guangda is also an associate of Dr. Zhou during the Track Record Period

DEFINITIONS

“Zhiben Suyuan”	Beijing Zhiben Suyuan Investment Management Center (Limited Partnership)* (北京知本溯源科技中心(有限合伙) (formerly known as 北京知本溯源投資管理中心(有限合伙))), a limited liability partnership established in the PRC on December 4, 2015, a Liangkebang Shareholder and a Beijing Xitui Shareholder
“Zhiwei Zhizhang”	Jiaying Zhiweizhizhang Equity Investment Fund Partnership (Limited Partnership)* (嘉興知微知章股權投資基金合夥企業(有限合伙)), a limited liability partnership established in the PRC on October 9, 2016 and a shareholder of the Company, a Liangkebang Shareholder and a Beijing Xitui Shareholder
“Zhonghe Zhonghui”	Ningbo Zhonghe Zhonghui Investment Management Partnership (Limited Partnership)* (寧波衆合衆惠投資管理合夥企業(有限合伙)), formerly known as Beijing Zhongka Investment Management Partnership (Limited Partnership)* (北京衆咖投資管理合夥企業(有限合伙)), a limited liability partnership established in the PRC on June 12, 2015, a Liangkebang Shareholder and a Beijing Xitui Shareholder
“%”	per cent

* for identification purposes only

Unless otherwise specified, statements contained in this document assume no exercise of the [REDACTED].

In this document, the terms “30%-controlled company”, “associate”, “close associate”, “connected person”, “core connected person”, “connected transactions”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

If there are any inconsistencies between the Chinese names of the PRC laws and regulations or PRC entities mentioned in this document and their English translations, the Chinese names shall prevail.

Translated English names of Chinese natural persons, legal persons, governmental authorities, institutions or other entities for which no official English translation exist are unofficial translations for identification purposes only.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and figures rounded to the nearest thousand, million or billion may not be identical to figures that have been rounded differently to them.

All times refer to Hong Kong SAR time unless otherwise specified.

Unless otherwise specified, reference to years in this document are to calendar years.

Unless otherwise expressly stated or the context otherwise requires, all data in this document is as of the date of this document.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain terms used in this document that relate to our business and the industry in which we operate. These terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

“AI”	artificial intelligence
“API(s)”	application programming interface, which is a way for two or more computer programs or components to communicate with each other
“AES”	advanced encryption standard
“app(s)”	application software designed to run on smartphones and other mobile devices, including both mobile apps and WeChat mini programs
“AutoML”	automated machine learning
“big data analytics”	the use of advanced analytic techniques against very large, diverse data sets to uncover hidden patterns, unknown correlations, market trends, customer preferences, and other useful information that can help organization make more informed business decisions
“O2O platforms”	online marketplaces that integrate online channels with offline store visits, converting online traffic into offline purchase of goods and services
“E-commerce platforms”	online marketplaces that provide consumers with goods transactions, with core functionalities including product display, online payment, order processing, and logistics delivery
“GDP”	gross domestic product
“Generative AI”	artificial intelligence capable of generating text, images, videos, or other forms of data, using generative models
“GMV”	gross merchandise volume
“H5”	Interactive web applications based on HTML5 technology, which is a markup language for building interactive web content
“HTTPS”	hypertext transfer protocol secure
“IoT”	Internet of things
“NLP”	natural language processing
“pay-for-performance”	a pricing model charging clients for each specific desirable action, such as product sales, performed by end customers
“RDBMS”	relational database management system
“SaaS”	software as a service, a software deployment model under which cloud providers license software applications to users as a service
“SKU(s)”	stock keeping unit(s)

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. All statements other than statements of historical fact contained in this document, including, without limitation, those regarding our future financial position, strategies, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate and any statements preceded by, followed by or that include the words “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would,” “vision,” “aspire,” “target,” “schedules,” “goal,” “outlook” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain known and unknown risks, uncertainties and assumptions, including but not limited to the risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our ability to successfully implement our business plans and strategies;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment and future developments, trends and conditions in the gaming industry and the markets in which we operate or into which we intend to expand;
- our ability to retain senior management and key personnel, and recruit qualified sales staff;
- our future capital needs, capital expenditure plans and our ability to raise capital on commercially acceptable terms;
- the actions of and developments affecting our competitors; and
- our financial condition and performance;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in China and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- various business opportunities that we may pursue; and
- all other risks and uncertainties described in the section headed “Risk Factors.”

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

FORWARD-LOOKING STATEMENTS

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

In this document, statements of or references to our intentions or those of the Directors are made as of the date of this document. Any such information may change in light of future developments.

All forward-looking statements contained in this document are expressly qualified by reference to the cautionary statements set out in this section.

RISK FACTORS

Potential [REDACTED] should consider carefully all the information set out in this document and, in particular, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the “Financial Information” section, before deciding to [REDACTED] in [REDACTED]. The following is a description of what we consider to be our material risks. If any of these risks materializes, the [REDACTED] of [REDACTED] could decline and you may lose all or part of your [REDACTED].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this document.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and our industry; (ii) risks relating to our contractual arrangements; and (iii) risks relating to the [REDACTED]. There may be additional risks and uncertainties presently not known to us or not expressed or implied below or those we currently deem immaterial could also harm our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR BUSINESS AND OUR INDUSTRY

Due to our limited operating history in new and developing markets, our ability to accurately predict our future operating results and prospects is limited and subject to a number of uncertainties. If we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

As a fast-growing company with a relatively limited operating history that was founded in 2014, we cannot accurately predict our future operating results. We face various challenges and uncertainties with the prospect of our new business strategies in the developing markets, as we operate in emerging and rapidly evolving industries. Our Group has been adapting to market dynamics and developing innovative new businesses during the Track Record Period, including Consumption Guide. However, due to evolving market conditions and a dynamic regulatory environment, our revenue from Consumption Guide declined significantly over the course of the Track Record Period, and we have ceased operating our matching services for financial institutions, from which we no longer generate any revenue. We cannot assure you that any of our existing or future business initiatives, including Yangxiaomie, will generate sustainable financial results going forward. Our ability to retain and attract business partners, expand our service offerings, increase our brand awareness, enhance monetization, improve our operating efficiency, maintain a scalable and secure technology platform and comply with the evolving regulatory environment may be challenged. Our results of operations and financial condition may be adversely affected if we fail to address these risks going forward.

We cannot assure you that we will sustain our historical growth rate for various reasons, including uncertainty of our new and services and intensified competition within the industry for online marketplaces for consumption in China. Accordingly, [REDACTED] should not rely on our historical results as an indication of our future financial or operating performance. In addition, we plan to expand and invest in new services, which may place significant strain on our managerial, operational, financial and human resources. Our current and planned operational infrastructure may not support our future operations. If we are not able to manage our growth or execute our strategies, our business and operation may be adversely affected.

We face intensive competition in the markets in which we operate and some of our competitors may have greater resources or brand recognition than us.

We operate in a highly competitive market with some of our competitors having longer operating histories, more experience, larger customer bases, greater brand recognition, more extensive commercial relationships within China and greater financial, technical, marketing and other resources than we do including some of the

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giants in the E-commerce market. Therefore, these competitors may be able to develop better solutions and respond, more quickly and effectively to new opportunities, technologies, regulations and business partner needs. In particular, they may provide goods or services that achieve greater market acceptance, undertake more far-reaching marketing campaigns, or may adopt more aggressive pricing policies. In addition, certain competitors may be able to secure goods from suppliers on more favorable terms to gain competitive advantages against us. The willingness of customers to purchase our goods also depends on our ability to continue offering an attractive value proposition. We may not be able to retain existing business partners or attract new business partners if we cannot constantly update and develop services that respond to market opportunities.

In addition, if we are unable to provide services to our business partners that are in line with technological trends, we may not be able to retain existing business partners or attract new business partners and our business and results of operations may be materially and adversely affected. In addition, we may encounter unexpected technological difficulties and risks in developing and implementing new technologies. Our new technologies or models may deliver less accurate results or become unstable after implementation. As a result, we may incur substantial costs or service disruptions, which could seriously harm our business and results of operations. Our ability to sustain and grow our business will suffer if we fail to respond to changes in technologies in a timely and cost-effective manner.

Furthermore, we may be subject to further competition if any of our competitors enter into business partnerships or alliances or raise significant additional capital, or if established companies from other market segments or geographical markets expand into our target markets or geographies. Any existing or potential competitors may also choose to operate based on a different pricing model or undercut prices in order to increase their market share. If we are unable to compete successfully against our current or potential competitors, our business, results of operations, and financial condition may be negatively impacted.

If our services or the goods and services of our business partners contain serious errors or defects, we may lose our sources of revenue and our business partners may lose confidence in our services. In addition, we may incur significant costs defending or settling claims with our business partners or end customers as a result of such serious errors or defects.

Our services may contain flaws, defects, errors, security vulnerabilities or software issues that are difficult to detect and correct despite internal quality control and testing, particularly when the services are first introduced or when new versions or enhancements are released. If we are unable to successfully correct the errors or defects in a timely manner, we may be responsible for refunding or replacing the defective services. As a result, we may incur revenue loss, significant expenditures of capital, a delay or loss in market acceptance and damage to our reputation and brand, any of which could have an adverse effect on our business, reputation, financial condition and results of operations. In addition, we have limited control over the goods and services provided by our business partners on our online marketplaces, which may contain errors or defects. As goods sourced from merchandise suppliers and sold on Yangxiaomie are displayed without reference to the relevant business partner providing such goods, end customers may look to us to correct any errors or defects relating to such goods in a timely manner and for us to refund or replace any defective goods. In addition, we may be subject to claims under consumer protection laws, including loan claims and claims associated with our business partners, health and safety claims and product liability claims from our end customers, if property or people are harmed by the goods and services sold by our business partners through our online marketplaces or when our business partners knowingly or intentionally provide substandard goods or services to end customers.

As many of our business partners use our services, any error, defect, bug or vulnerability discovered in our services could result in damage to our reputation, loss of business partners, loss of revenues or liability for

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damages. In addition, we cannot assure you that the provisions limiting our exposure to claims, which are typically included in our contracts with our business partners, would be enforceable or adequate to protect us from liabilities or damages. Furthermore, claims initiated against us would likely be time-consuming, costly to defend and may have a material adverse impact on our reputation and brand, regardless of the results, which could have an adverse effect on our business, reputation, financial condition and results of operations.

If we are unable to attract and retain end customers on our online marketplaces, or if user engagement and/or user spending decline, our business and results of operations may be materially and adversely affected.

The prospects of our business depend on our ability to attract and retain end customers. If user engagement and/or user spending on Yangxiaomie or Consumption Guide decline, our business, results of operations and growth potential and prospects may be materially and adversely affected. Our ability to operate online marketplaces and facilitate goods and services transactions for our business partners depends on our capability to continuously attract and retain end customers, and we cannot be sure that we will be successful in these efforts, or that user retention levels will not materially decline. In addition, as Consumption Guide attracts local end customers with government discount coupons distributed by local government agencies, any reduction, elimination or unavailability of government subsidies and economic incentives caused by policy changes could adversely affect our online traffic flow and the development of Consumption Guide and hence affect our business, financial condition and results of operations.

We analyze user information generated on our online marketplaces with our AI technologies to understand user profile and preferences in order to recommend goods and services catering to their interests and needs. Therefore, the effectiveness of our services and monetization strategies is dependent on our ability to obtain and process information and to refine the algorithms used in processing such information. If we fail to maintain and expand the user base of our online marketplaces to continually generate large amounts of user information, or if we fail to keep up with the rapid development and upgrade of AI technologies on a timely and cost-effective basis, we may not be able to effectively grow and monetize our services, and our business and results of operations may be materially and adversely affected.

In addition, for our collaboration with Weidaoyun, the distribution of government discount coupons is generally guided by the Ministry of Commerce, with local governments and commerce departments formulating local regulations, specific work documents, notifications, and related activities to promote consumption. Historically, very few institutions had been selected and approved by the government authorities to distribute discount coupons. If Weidaoyun uses other means to distribute the government discount coupons instead of collaborating with us or if local government no longer distribute discount coupons, the user engagement of Consumption Guide may decline significantly, causing our business and results of operations to be materially and adversely affected.

If we fail to improve and enhance the functionality, performance, reliability, design, security, and scalability of our services to suit our business partners’ evolving needs, our business partners may not continue to purchase our services, which in turn will have a material and adverse impact on our business, financial condition, results of operations and prospects.

The markets in which we operate and compete are characterized by constant change and innovation. Our past success in this industry has been based on our ability to identify and anticipate our business partners’ needs and design services enabling our business partners to develop their businesses. See “Business — Our Business Model.” Our prospects and our ability to attract new business partners, retain existing business partners and improve our online marketplaces will depend largely on our ability to continue improving and enhancing the

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functionality, performance, reliability, design, security and scalability of the products and services promoted on our apps to suit our business partners’ evolving needs.

We may face difficulties with developments in technology that could delay or prevent the development, introduction or implementation of new services. In addition, as software development requires significant investment of time and cost, we may not have sufficient resources to do so. Therefore, we may not be able to improve or enhance our functionality, performance, reliability, design, security or scalability of our services to meet the evolving needs of our business partners, and our existing business partners may not continue to use our services. If we are not able to improve and enhance the functionality, performance, reliability, design, security, and scalability of our services in a manner that responds to our business partners’ evolving needs, our existing business partners may not repurchase our services, and our business, financial condition, results of operations, and prospects will be materially and adversely affected.

We collect and store personal information relating to our business partners, their customers and our users in relation to our operation of online marketplaces on our systems. If our security is compromised, or such information is otherwise accessed without authorization, our reputation may be harmed, and we may be exposed to potential liability and significant loss of business.

We store personal information and other confidential information relating to our business partners, the end customers and our users during the provision of our business and are subject to PRC laws and regulations regarding cybersecurity, information security, privacy and data protection. See “Regulatory Overview — II. Regulations Related to Operations.” While we regularly monitor or review content stored on our servers, we do not have entire control over the substance of the content on our servers, which may include personal information. We cannot assure you that third parties will not obtain unauthorized access to any personal information relating to business partners, their customers and our users. Such information may also be otherwise exposed through human error or other malfeasance. Any unauthorized access or compromise of such personal information could have an adverse effect on our business, financial condition and results of operations and our reputation may be harmed.

Any material change in end customer demand or preferences, or any unexpected situation with a negative impact on market demand may materially and adversely affect our business and results of operations.

We model customer preferences to match end customers with their desired goods and services offered by our business partners. The accuracy and efficiency of our services depends on factors such as local consumer preferences and spending patterns, end customer income and demands, availability of financing options as well as end customer perceptions of and confidence in our product quality. Changes in any of the above at any time could result in decline in number of transactions we facilitate. Our business growth will be negatively affected if we are unable to (i) accurately model end customer preferences in the lower-tier market to match interested end customers with business partners and/or (ii) bring new business partners in different traditional industries onto our online marketplaces to match end customer demand.

If we fail to anticipate or respond to changes in customer choices and preferences to satisfy the evolving demands of end customers in a timely manner, our reputation and profitability could be materially and adversely affected. In addition, any unexpected situation affecting demand for goods and services offered by our business partners through our online marketplaces, such as pandemics, may also materially and adversely affect our business and results of operations.

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As we expand our business partner base and increase the size and capabilities of our organization, we may experience difficulties in managing and sustaining our growth.

In recent years, as we expanded our business, we have continued to expand our service offerings and our business partner and end customer base and to actualize our business model. As we lack familiarity with relevant customers, it may be difficult for us to satisfy their needs and preferences, which could make our online marketplaces less attractive to our business partners, result in damage to our reputation, a decline in our market share, and adversely affect our business and results of operations.

We have continued to expand our service offerings as we address changing needs of our business partners and the end customers. Such expansion in business may increase the complexity of our operations and place a significant strain on our managerial, operational, financial and human resources. Our current and planned personnel, business systems, operation procedures and controls may not be adequate to support our future operations. We cannot assure you that we will be able to effectively manage our growth or to implement all these business systems, operation procedures and control measures successfully. In addition, we may misjudge customer demand, which would adversely affect our service offerings and business. It may be difficult for us to achieve profitability for services provided to new business partners and our profit margin, if any, may be lower than we anticipate. We cannot assure you that we will be able to recoup our investments in expanding into new industries. As a result, our profit may be lower than we anticipate, and our results of operations and financial conditions may be materially affected.

There may be a risk that our business partners, particularly the marketplace suppliers on Yangxiaomie and automobile retailers on Consumption Guide, could seek to acquire customers directly through their own channels. In such circumstances, they transact with potential end customers directly on their own apps or through other channels and if they regard such volume of end customers as sufficient for their business, or if they value collaboration with other channels more, or if they can sufficiently sell and market their goods through their own sales channels, they may cease to use our services. In addition, we generally do not enter into long-term or exclusive agreement with our business partners. While our platforms provide business partners with both sales and marketing channels to end customers, some of them may decide not to engage us once their business scale has grown to the extent that they can sufficiently sell and market their goods or services through their own platforms or sale channels. Occurrence of such events may expose us to the risk of disintermediation, and our business, results of operations and financial position would be materially and adversely affected.

Our purchase amounts were concentrated on a limited number of suppliers during the Track Record Period.

During the Track Record Period, our major suppliers from purchase amount perspective were suppliers of Internet advertising and promotion services, business partners providing goods and services and suppliers of marketing services. Charges from our top five suppliers for each year during the Track Record Period accounted for 53.6%, 64.5%, 68.0% and 69.8%, respectively, of our total purchase amounts. There are inherent risks whenever we rely on a limited number of suppliers. Charges from our largest supplier for each year ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025 accounted for 22.5%, 22.4%, 20.4% and 24.0%, respectively, of our total purchase amounts during those periods. In addition, during the Track Record Period, our Consumption Guide relied on a limited number of sales and marketing suppliers, especially Weidaoyun, to engage marketplace suppliers. For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, revenue from marketplace suppliers introduced by Weidaoyun accounted for approximately 44.2%, 41.4%, 3.7% and 0.02% of our total revenue, respectively. Any significant disruptions in services or increase in cost, the inability of our major suppliers to meet their obligations or the lack of alternative partners could hinder our business operation and prospects, which would affect our financial condition and drive up the operating costs.

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Our suppliers may be prohibited from working with us due to changes in the regulatory environment, and we may not be able to find a replacement in a timely manner with reasonable terms or at all. Moreover, our agreements with these suppliers often contain termination clauses which allow suppliers to terminate their agreements with us without penalty if required by regulatory authorities, leaving us with little or no compensation for our potential losses, which may materially and adversely affect our business, financial performance and prospects.

If we fail to maintain our business relationship with these suppliers, or if they cease to cooperate with us, or breach their current agreements with us, we may be unable to source alternative supplies in a timely manner. Any significant disruptions in services, the inability of our major suppliers to meet their obligations or the unavailability of alternative suppliers could hinder our business and marketing plans, which could, in turn, have a material adverse effect on our business, financial condition and results of operations.

Our arrangements with our business partners are typically not exclusive. Failure to maintain relationships with existing business partners, especially our major business partners, or develop new ones may materially and adversely affect our business and results of operations.

Our relationships with our business partners and our ability to expand our customer base are crucial to our success. We generate a majority of our revenue from services provided to our business partners during the Track Record Period through our online marketplaces. We may not be able to sustain our business growth if we fail to maintain and grow our business partner base and expand our offerings. In addition, our arrangements with our business partners are typically not exclusive, and they may have similar arrangements with our competitors. They may terminate their relationships with us and seek alternative arrangements with our competitors if they are dissatisfied with our services. Moreover, our business partners may develop their own in-house capabilities and cease to use our services. There can be no assurance that we can maintain relationships with our business partners in the future. In addition, our relationships with business partners, especially our major business partners, may be subject to changes due to various factors such as macroeconomic and local economic conditions, industry policies, regulatory environment and their business performance and strategic adjustments from time to time. As our business model developed, we began to expand our business partners base, and our financial institution clients accounted for less of our total revenue. Our business, results of operations and financial performance will be adversely affected if the revenue from our paying business partners decreases or our relationships with our business partners deteriorate.

We are subject to credit risk.

Our working capital, future operations and cash flow are largely dependent on the timely settlement of the payments by our customers. During the Track Record Period, our trade receivables primarily represent recognized service fees from our provision of our services that have not been settled. Our trade receivables turnover days was 157 days, 242 days, 199 days and 254 days for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. Our trade receivables increased from RMB258.2 million as of December 31, 2022 to RMB443.3 million as of December 31, 2023 due to several factors, including a significant uptick in the revenue from Yangxiaomie during the latter part of 2023, as well as increased transaction value with and extended credit terms we offer to Yingtian Guangda, throughout 2023. Our trade receivables increased to RMB638.4 million as of December 31, 2024, primarily due to the increase in trade receivables due from Yingtian Guangda. Our trade receivables increased from RMB638.4 million as of December 31, 2024 to RMB743.8 million as of May 31, 2025 due to an increase in trade receivables due from Yingtian Guangda, which is in line with the growth of business with Yingtian Guangda. For a detailed discussion regarding this increase, see “Financial Information — Certain Components of Our Consolidated Statements of

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Financial Position — Trade Receivables.” If our paying clients delay settlement of trade receivables with us, we may be subject to credit risk, which could in turn adversely affect our results of operations and financial conditions.

In addition, as of December 31, 2022, 2023 and 2024 and May 31, 2025, 87.3%, 4.8%, 99.6% and 3.5% of the total trade receivables was due from the Group’s five largest customers. Our top customers may experience financial difficulties, which could negatively impact our ability to collect significant amount due to us. Such adverse financial condition may negatively affect the length of time that it will take us to collect the associated trade receivables or impact the likelihood of ultimate collection, which could result in an adverse effect on our business, financial condition and results of operations.

Our business, growth and prospects are significantly affected by the growth in online marketplaces for consumption industry and usage of matching services in China.

Whether our business partners accept consumption-related matching services depends, to a large extent, on their level of awareness of our online marketplaces and the widespread use of matching services. We cannot assure you that the trend of adopting and utilizing such products by our business partners will continue to grow in the future.

In addition, the expansion of the market for online marketplaces for consumption in China depends on a number of factors, including the level of acceptance and expansion of emerging online marketplaces. Even if matching services become widely adopted, business partners may not be familiar with, or be willing to use those provided by us. As a result, we cannot predict with certainty the market demand for our services or the future growth rate and size of the market for online marketplaces for consumption.

Systems disruptions, distributed denial of service attacks, or other hacking and phishing attacks on our systems and security breaches may delay or interrupt services to our business partners and their customers, harm our reputation and subject us to significant liability, which in turn may adversely affect our business, results of operations and financial results.

In the past, our infrastructure was subject to a brief system disruption for about nine minutes due to system overload. As the system disruption was quickly resolved, we did not experience any material impact on our operations or any financial loss. We have adopted preventative measures, including adding two high-configuration servers and a Sentinel system for emergency failover. In the future, we may be subject to distributed denial of service (the “DDoS”) attacks, a technique used by hackers to take an Internet service offline by overloading its servers, or other hacking and phishing attacks on our system in the future. We cannot assure you that any applicable recovery system, security protocol, network protection mechanisms or other defense procedures are, or will be, adequate to prevent such network or service interruptions, or system failures. Our infrastructure and systems may also be breached if any vulnerabilities therein are exploited by unauthorized third parties. In addition, despite our established internal control measures, we cannot guarantee that our employees will strictly comply with internal control measures. Employees’ non-compliant operations may lead to data errors and/or data loss, exposing us to significant liabilities and adversely affecting our business and results of operations.

We may not be able to implement sufficient preventative measures or stop the attacks while they are occurring because techniques used to obtain unauthorized access adapt and evolve frequently and the scale and frequency of DDoS attacks, hacking and phishing attacks is increasing. A DDoS attack, other hacking and phishing attacks or security breaches could delay or interrupt our services to our business partners and the end customers. Such attacks may deter consumers from visiting our online marketplaces or our business partners’

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storefronts, hence affecting their overall customer experience. Any actual or perceived attacks or security breaches may also damage our reputation and brand, especially high-profile breaches, expose us to risks of potential litigation and liabilities, and require us to expend significant capital and other resources to alleviate problems caused by such attacks or security breaches. Our business partners may lose confidence in the security of our online marketplaces as a whole, which would have a material adverse impact on our ability to retain existing business partners and attract new ones.

Misconduct or other improper activities by our employees, business partners, end customers and other third parties could harm our business and reputation.

Our employees, business partners and other third parties may engage in misconduct or other illegal or improper activities, which could subject us to financial losses or regulatory sanctions and seriously harm our brand and reputation. Misconduct of our business partners or third party agencies could include charging abnormally high fee rates on consumer loans in excess of those permitted under applicable laws and regulations, using inappropriate loan collection methods, unauthorized activities resulting in unknown risks or losses, offering products or services at abnormally high prices above prevailing market prices, improper use of confidential or privacy information or fraudulent and other illegal or improper activities. The precautions we take to prevent and detect these activities may not be effective, since our internal controls are subject to inherent limitations including human error and could be circumvented or become inadequate because of changed conditions. Any misconduct or inappropriate activities that may be engaged in by our business partners or third party agencies providers would be beyond our Company’s control. However, their actions could potentially result in complaints against our Company or other adverse implications by virtue of our past or ongoing relationships with them, which may materially and adversely affect the reputation of our Company.

In particular, under the collaboration between Consumption Guide and Auto Partner A, Auto Partner A shares profits with us on a per-transaction basis, typically ranging from RMB200 to RMB37,000 depending on the selling price of automobiles sold, either online through Consumption Guide or offline through the cooperation with the 4S automobile retailers. Since we do not have direct access to offline transaction data, we rely on Auto Partner A to calculate the amount of profit under the profit-sharing arrangement. If such data is incorrect for any reason, including intentional concealment or miscalculations by Auto Partner A the its 4S automobile retailers, we cannot cross-verify or appeal with sufficient bases, which may materially and adversely affect our profits and operating results.

During the Track Record Period, Yangxiaomie was mentioned on public complaint forums and were accused of, or associated with, inappropriate behaviors, such as inappropriate debt collection, refusal to refund a returned product and delivery to the wrong address. Most of the allegations in such public complaints are related to business services received on Yangxiaomie and, as confirmed by our PRC Legal Advisor, do not involve potential violation of regulations or laws in the PRC that would result in us bearing the ultimate responsibility of any material legal liability. We established internal control measures to handle third party complaints in general (including those through other third party forums) and strive to resolve such complaints within 48 hours. As we generally handled such complaints in a timely manner, these incidents did not adversely affect our business, financial condition or results of operations. In relation to those other allegations that may involve violation of regulations in the PRC such as inappropriate debt collection, to the best of our knowledge after due and careful enquiries, the allegations in the complaints were inaccurate. During the Track Record Period, we have been named in complaints from end customers regarding inappropriate debt-collection behavior, such as sending threatening text messages, disclosure of personal privacy and harassment of borrowers’ contacts, regardless of whether we engaged the relevant debt collection entities, as the end customers would direct the complaints to us based on the mere fact that we operate the platform that facilitated the transactions and they were only connected with the financial institutions through our app. Our agreements with financial institutions and debt collection agencies explicitly prohibit inappropriate debt collections. In addition, we have implemented internal control measures on third party debt collection agencies including (1) establishing debt collection protocols for third party debt collection agencies to abide by, and (2) investigating the third party debt collection agencies

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associated with the complaints as to whether any inappropriate actions had taken place. During such process, nothing had come to our attention during the Track Record Period and as of the Latest Practicable Date that allegations involving such third party debt collection agents were true or accurate. Since the beginning of the Track Record Period, we have not been involved in any engagement of third party debt collection agencies. As advised by our PRC Legal Advisor, engagement of third party debt collection agencies are not prohibited by relevant laws and regulations and the engaging party would not be subject to ultimate responsibility of any legal consequences that may arise according to the agreements with the third party debt collection agencies which stipulate the recourse against those third party debt collection agencies, further, the relevant engagement of third party debt collection agencies had already been terminated prior to the Track Record Period and therefore will not have any material adverse impact on our Company. During the Track Record Period and as of the Latest Practicable Date, we have not been subject to any administrative penalties from regulatory authorities due to allegations involving inappropriate debt collections or any other allegations in the public complaints.

We also cannot prevent end customers who purchase goods or services using their credit card from our online marketplaces and re-sell such goods or services to other third parties as a means to “cash out”. We play no role in such actions. As advised by our PRC Legal Advisor, as such re-sell activities are not related to the Group’s business operations and the Group was not involved in any such re-sell activities, the Group would not ultimately be responsible for any legal consequences that may arise in connection with such activities.

Misconduct or other improper activities by our employees, business partners and other third parties could damage our brand and reputation, subject us to claims or potential lawsuits and require us to take additional steps to reduce improper and illegal activities. These steps could significantly increase our costs and reduce our profitability. Any of the foregoing could materially adversely affect our business, financial condition and results of operations.

Regulatory, legislative or self-regulatory developments for online businesses, including privacy and data protection regimes are expansive. These laws and regulations could create unexpected costs, subject us to enforcement actions for compliance failures, or restrict portions of our business or cause us to change our technology platform or business model.

We operate in the online marketplaces for consumption industry which spans data and internet industries which the PRC government extensively regulates. There has been an increase in legislation and regulations related to online marketplace operation, the collection and use of Internet user data and unique device identifiers, such as IP addresses or mobile unique device identifiers, and other data protection and privacy regulation. In addition, foreign ownership of and the licensing and permit requirements pertaining to companies in such industries and access and usage of data are subject to regulatory scrutiny. These laws and regulations in the PRC that affect our industry are relatively new, any changes in regulatory environment, whether or not directly targeted at us, may negatively affect the market environment, our business partners and goods and services of business partners, which may in turn have a material adverse effect on our business result of operations and financial conditions. For instance, on July 31, 2025, the State Administration for Market Regulation has published the Guidelines for Online Transaction Platforms’ Compliance in Charging Fees (《網絡交易平台收費合規指南》) which aims to standardize how online transaction platforms charge merchants for services. If any of our transactions with certain of our business partners is deemed to be subject to the guidelines, we may incur additional costs in establishing a compliance training mechanism for preventing the risk of unreasonable charges, conduct training for relevant personnel to enhance their compliance awareness and ability in preventing the risk of unreasonable charges, in order to ensure compliance with the final regulations. See “Regulatory Overview — Regulations related to Operations — Guidelines relating to fee charging practices” for further details. Moreover, different regulatory bodies in China, including among others, the MIIT, the CAC and the MPS have enforced laws and regulations regarding cybersecurity, information security, privacy and data protection with various standards and applications. While the pricing structure of our transactions with business partners does not materially differ from those adopted

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by our peers, we cannot guarantee that the relevant PRC authorities will not introduce uniform regulations on online transaction platforms to adjust such pricing structures, which could adversely affect our financial performance, including our gross profit margin. These regulations may affect how we design, market and sell our services, how we operate our business, and how we process and use data, which could negatively impact demand for our services. We cannot assure you, however, that the PRC government will not find such practice noncompliant with PRC laws and regulations, in which case we could be subject to severe penalties or be forced to relinquish our interests in those operations.

As we store personal information and other confidential information relating to our business partners, their customers and our users, we are also subject to PRC laws and regulations regarding cybersecurity, information security, privacy and data protection. According to the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cyber Security Law**”) and relevant regulations, network operators, including us, are obligated to provide assistance and support in accordance with the law for public security and national security authorities to protect national security or assist with criminal investigations. In addition, the Cyber Security Law provides that personal information and important data collected and generated by operators of critical information infrastructure, or CIIOs in the course of their operations in the PRC should be stored in the PRC, and the law imposes heightened regulation and additional security obligations on CIIOs. On July 30, 2021, the State Council promulgated the Provisions on Protection of Critical Information Infrastructure Security (《關鍵信息基礎設施安全保護條例》), which took effect on September 1, 2021 and provides that “critical information infrastructures,” or CII, refers to important network facilities and information systems involved in important industries and fields such as public communication and information services, energy, transportation, water conservancy, finance, public services, e-government, national defense related science and technology industry, as well as those which may seriously endanger national security, national economy and citizen’s livelihood and public interests if damaged or malfunctioned, or if any leakage of data in relation thereto occurs. Pursuant to these provisions, the relevant government authorities are responsible for formulating rules for the identification of CII and further organizing to identify such the CII in the related industries and fields, taking into account the factors set forth in the provisions. The relevant authorities shall also notify operators who are being identified as CIIOs. If we provide or are deemed to provide such network products and services to CIIOs, or we are deemed to be a CIIO, we would be required to follow cybersecurity review procedures, and could be subject to cybersecurity review by the CAC and other relevant PRC regulatory authorities. Furthermore, if we are identified as a CIIO, additional obligations will be imposed on us with respect to the protection of CII, including the obligation to set up a special security administration department and to conduct security background review on persons in charge of such department or holding other key positions in such department.

On December 28, 2021, the CAC and twelve other government authorities jointly promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》) (the “**Review Measures**”), which took effect on February 15, 2022, replacing its previous version that was promulgated on April 13, 2020. The Review Measures provide that CIIOs purchasing network products and services, which affects or may affect national security, shall apply for cybersecurity review with the Cybersecurity Review Office under the CAC.

As of the Latest Practicable Date, we had not received any notification from the relevant competent or regulatory authorities that we had been determined to be a critical information infrastructure operator or network platform operators engaging in data processing activities that affect or may affect national security. Meanwhile, the Review Measures impose no requirement on companies seeking to list their shares in a stock exchange in Hong Kong SAR to voluntarily file for a cybersecurity review. Our PRC Legal Advisor has conducted a consultation via the hotline published by the CAC on a named basis on behalf of us on March 26, 2024 with the China Cybersecurity Review Technology and Certification Center (the “**CCRC**”), currently known as China Cybersecurity Review, Certification and Market Regulation Big Data Center. During such consultation, we were

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informed that Hong Kong SAR is a part of the People’s Republic of China and therefore does not belong to “foreign country” under the Review Measures, it is not necessary for us to voluntarily apply for cybersecurity review according to Article 7 of the Review Measures. However, if the [REDACTED] of [REDACTED] on the Stock Exchange is determined to “have affected or may affect national security”, the Cybersecurity Review Office may initiate a cybersecurity review against us pursuant to Article 16 of the Review Measures. At the same time, the Cybersecurity Review Office may require us to take risk prevention and mitigation measures in accordance with the Review Measures, which may have a material adverse impact on our business, financial condition and operating results. We have disclosed [REDACTED] in Hong Kong SAR to CCRC in such consultation and as of the Latest Practicable Date, we have not received any objection for [REDACTED] in Hong Kong SAR or any notification for cybersecurity by any relevant authority. As announced by the CAC, the CCRC is entrusted by the Cybersecurity Review Office and under its guidance, to undertake specific work of the cybersecurity review such as receipt of materials and formal review of such materials and set up a hotline for the consultation regarding cybersecurity review. Based on the above, our PRC Legal Advisor is of the view that, based on our consultation with the CCRC, we are not obliged to voluntarily apply for a cybersecurity review and it is unlikely that we would be subject to cybersecurity review initiated by the CAC towards our [REDACTED]. Therefore, our PRC Legal Advisor is of the opinion that we are in compliance with the Cybersecurity Review Measures in all material respects. Based on the above consultation and analysis, the Directors and Sponsors concurred with the view of the PRC Legal Advisor.

On December 31, 2021, the CAC, MIIT, the Ministry of Public Security (the “MPS”), the SAMR promulgated the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》) (the “Provisions on Algorithm Recommendation”), which took effect on March 1, 2022. Specifically, the Provisions on Algorithm Recommendation require that such service providers shall provide users with options that are not specific to their personal characteristics, or provide users with convenient options to cancel algorithmic recommendation services. In addition, the Provisions on Algorithm Recommendation stipulate that algorithm recommendation service providers shall, among others, conspicuously inform users of their provision of algorithm recommendation, and publicize the basic principles, intended purposes and main operating mechanisms of algorithm recommendation services in an appropriate manner. The Provisions on Algorithm Recommendation further provides that, within 10 working days of the service provision commencement date, algorithm recommendation service providers with public sentiment attributes or social mobilizing capability shall perform filing procedures through the internet information services algorithm filing system. On November 15, 2018, the CAC and the MPS published the Provisions on the Security Assessment of Internet Information Services with Public Opinion Attributes or Social Mobilization Capabilities (《具有輿論屬性或社會動員能力的互聯網信息服務安全評估規定》) (the “Provisions on the Security Assessment of Internet Information Services”), which took effect on November 30, 2018. According to Article 2 of the Provisions on the Security Assessment of Internet Information Services, internet information services with public opinion attributes or social mobilization capabilities include the following situations: (i) operating forums, blogs, microblogs, chat rooms, communication groups, public accounts, short videos, online live broadcasting, information sharing, mini-programs, and other information services or incorporating corresponding functions; and (ii) operating other internet information services that provide channels for public opinion expression or have the capability to mobilize the general public to engage in specific activities. In the opinion of our PRC Legal Advisor, the Provisions on the Security Assessment of Internet Information Services are applicable to us, as there is a possibility that we could be identified as an internet information service with public opinion attributes or social mobilization capabilities given the fact that our products allow users to post comments on purchased goods. Furthermore, as our operations include utilization of recommendation algorithms, we are likely to be subject to the Provisions on Algorithm Recommendation. Any failure of compliance with the Provisions on Algorithm Recommendation may have an adverse effect on our business, operation or financial conditions. The internet

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information services algorithm filing system was launched on March 1, 2022, and we have successfully completed the filing for the personalized product recommendation algorithm on Yangxiaomie in June 2024.

On July 10, 2023, the CAC, consented by NDRC, Ministry of Education, Ministry of Science and Technology, MIIT, the MPS, National Radio and Television Administration, promulgated the Provisional Administrative Measures for Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (“**Generative AI Services Measures**”), effective on August 15, 2023. The Generative AI Services Measures impose compliance requirements for providers of generative AI services to the general public within the territory of PRC. The Generative AI Services Measures provide, among other things, that the provider of generative AI services of text, image, audio or video to the general public shall (i) assume the responsibilities as the producers of the AI-generated content thereon, and (ii) any provider of generative artificial intelligence services with attribute of public opinions or capable of social mobilization shall conduct security assessment in accordance with the relevant regulations, and complete the formalities for algorithm filing, change or deregistration in accordance with Provisions on Algorithm Recommendation. Any failure to comply with such filing or assessment requirements (to the extent that the relevant regulators deem that such regulatory procedures apply to us) or any other noncompliance or perceived noncompliance with the above provisions may subject us to penalties and liabilities, including, among others, warnings, public denouncement, fines, rectification orders, suspension of the provision of relevant services, and even criminal liabilities. We have developed a generative AI product with deep logical reasoning capabilities called Liangxingwen, which has not yet been launched and is not in operation. Even though Liangxingwen has not been launched, it is still subject to the compliance requirements of the Generative AI Services Measures, as these measures also impose obligations on the research and development process of generative AI technology. Therefore, our PRC Legal Advisors are of the view that the Generative AI Services Measures are applicable to us. To comply with these requirements, we have submitted the application for the filing of our generative AI model, Liangxingwen to the Beijing branch of the Cyberspace Administration of China and completed such filings in October 2024. In October 2024, we also have completed the filing of the generative AI algorithm Liangxingwen with the CAC.

On November 14, 2021, the CAC released the Regulations on the Administration of Cyber Data Security (Draft for Comments) (the “**Draft Data Security Regulations**”) (《網絡數據安全管理條例(徵求意見稿)》) for public comments. According to the Draft Data Security Regulations, data processors shall, in accordance with relevant state provisions, apply for cyber security review when carrying out the following activities: (i) merger, reorganization or separation of Internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests, which affects or may affect national security; (ii) intention to seek a listing abroad of data processors that handle personal information of more than one million people; (iii) intention of data processors to seek a listing in Hong Kong SAR, which affects or may affect national security; (iv) other data processing activities that affect or may affect national security. On September 24, 2024, the State Council promulgated the Regulations on the Administration of Cyber Data Security (the “**Data Security Regulations**”) (《網絡數據安全管理條例》), which became effective on January 1, 2025, stipulate that data processors engaging in data processing activities that affect or may affect national security shall be subject to cyber security review in accordance with relevant laws and regulations. The Data Security Regulations do not include the content related to cybersecurity review for listings in Hong Kong SAR that was presented in the foregoing sub paragraph (iii) of the Draft Data Security Regulations published on November 14, 2021. In addition, as of the date of this document, we have not received any investigation, notice, warning, or sanctions from applicable government authorities in relation to national security or been involved in any investigations on cybersecurity review made by the CAC on the national security basis or any other basis, and have not received any inquiry, notice, warning, or sanctions in such respect. However, as the relevant legal framework continues to develop, future regulatory changes may impose additional restrictions. We will closely monitor and assess any developments in the rule-making process.

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On July 7, 2022, the CAC published the Security Assessment Measures for Outbound Data Transfers (《數據出境安全評估辦法》) (the “**Security Assessment Measures for Outbound Data Transfers**”, which became effective on September 1, 2022. The Security Assessment Measures for Outbound Data Transfers specify the circumstances in which data processors providing data outbound shall apply for outbound data transfer security assessment with the Cyberspace Administration, including (i) where a data processor provides critical data abroad; (ii) where a key information infrastructure operator or a data processor processing the personal information of more than one million individuals provides personal information abroad; (iii) where a data processor has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year; and (iv) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required. We operate business within the mainland of PRC and all the data and personal information collected and generated during our operation is stored within PRC. Furthermore, our business operation involves no cross-border transfer of personal information and the data we process during our daily operation that may be cross-border transferred has not been identified or publicly announced as important data by the relevant departments or local regulatory authorities. Based on the foregoing, our PRC Legal Advisor is of the view that the likelihood that such Measures for Outbound Data Transfers applies to our business operation is remote and may have no adverse impact on our business operation.

We have obtained ISO 27001 Information Security Management System Certification, and conducted the evaluation of classified protection of cybersecurity on our information systems. Furthermore, we have established comprehensive policies for the collection, processing, sharing, disclosure authorization and other aspects of data use and privacy and taken necessary measures to comply with all applicable laws and regulations regarding cybersecurity, data security and personal information protection. However, we cannot guarantee the effectiveness of these policies and measures undertaken by us, our employees, or other business partners. If we are unable to effectively manage these risks, we could become subject to penalties, fines, suspension of business and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected. We cannot assure you we would always be in full compliance with applicable laws and regulations or that subsequent laws and regulations of existing ones would not render our operations non-compliant. In each case, our business, financial condition and results of operations may be materially and adversely affected.

If our machine learning and analytics algorithms for assessing and differentiating customers are or become flawed or ineffective, or if our online marketplaces fail to improve the marketing results for our business partners, our business, reputation and market share may be materially and adversely affected.

We utilize our proprietary algorithms to track, process and analyze customer information and forecast the probability and the nature of end customers’ potential interests in our business partners’ goods and services. Our ability to attract new end customers depends on accurate identification and differentiation of relevant end customers. In addition, we do not generally verify the information we gather, which may be inaccurate, outdated, irrelevant or subject to fraud and therefore, does not reflect a user’s credit profile or genuine interest in a given good or service. Furthermore, we expect growth in the amount of information we process as we continue to expand our business and develop new solutions, features, and services to meet our business partners’ evolving needs and demands. If our proprietary algorithms fail to accurately assess or model a user’s profile or interest in a given good or service, or experience significant errors or defects, our business partners may not achieve their marketing goals in a cost-effective manner or at all, which could make our online marketplaces less attractive to them, result in damage to our reputation and a decline in our market share, and adversely affect our business and results of operations.

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We may be unable to achieve or maintain adequate data transmission capacity as required by our business partners.

We usually draw significant user traffic to our online marketplaces, especially during new product releases, holiday shopping seasons and flash sales, which significantly increases the demand for our services and the traffic on our servers. We cannot assure you that we are able to continue achieving or maintaining adequate processing capacity in the future, particularly when we encounter an unexpectedly significant increase in traffic. In addition, our ability to provide adequate data transmission capacity also depends on third-party Internet infrastructure to continue to maintain reliable networks with the necessary speed, data capacity and bandwidth. If one of these third parties suffers from capacity constraints, our business may be adversely affected.

Our services involve transmission and processing of certain information belonging to our users and the end customers of our business partners and may be subject to complex laws and regulations regarding privacy and data protection. If we fail to comply with privacy and data protection laws and regulations, our business, results of operations and financial condition may be adversely affected.

In recent years, the PRC government has enacted a series of laws and regulations on the protection of personal information, including the PRC Data Security Law (《中華人民共和國數據安全法》), which took effect on September 1, 2021, the Personal Information Protection Law (《中華人民共和國個人信息保護法》), which took effect on November 1, 2021, and the Cybersecurity Review Measures (《網絡安全審查辦法》), or the Review Measures, which took effect on February 15, 2022. See “ — Regulatory, legislative or self-regulatory developments for online businesses, including privacy and data protection regimes, are expansive and continue to develop. These laws and regulations could create unexpected costs, subject us to enforcement actions for compliance failures, or restrict portions of our business or cause us to change our technology platform or business model.” As we transmit and process certain information belonging to the end customers of our business partners and our users, we are subject to the complex laws and regulations regarding privacy and data protection. There is no guarantee that our privacy and data protection measures will be considered sufficient under applicable laws and regulations. In addition, the effectiveness of our privacy and data protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyberattacks. If we are unable to comply with the then-applicable laws and regulations, or to address any privacy and data protection concerns, such actual or alleged failure could damage our reputation, deter current and potential business partners from using our services, which will adversely affect our business, results of operations and financial condition.

If we are unable to maintain a consistently high level of customer service, our brand, business and financial results may suffer.

As customer service and support for both our end customers on Yangxiaomie and other apps is critical to onboarding new business partners, retaining existing business partners and maintaining our reputation, we have invested heavily in the quality and training of our support team. We also employ third-party customer service agencies to assist our customer service team. We have implemented internal procedures and policies to monitor their services. However, we cannot assure you that our oversight of the third-party agencies is adequate to maintain a consistently high level of customer service. Any failure to maintain a consistently high level of customer service, any market perception that we do not do so or failure of our third-party customer service agencies to perform their duties could adversely affect our reputation and the number of positive referrals that we receive.

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Any interruptions or delays in services due to third-parties, including cloud computing server providers and other hardware and software vendors, or as a result of our inability to adequately plan for and manage service interruptions or infrastructure capacity requirements, may impair the delivery of our services, and materially and adversely affect our business and results of operations.

We rely on cloud computing platform providers located in China to host our servers. We also rely on computer hardware purchased from, software licensed from, and cloud computing platforms provided by, third parties in order to offer our services. Any damage to or a failure of our systems generally, including systems or services of our third-party platform providers, could result in interruptions in our services, which would create a material and adverse effect on our retention rates and our ability to attract new business partners, all of which would reduce our revenue. Our business and reputation may also be harmed if our business partners or potential business partners believe that our online marketplaces are unreliable.

We do not control the operation of the facilities provided by third-party providers, which may be vulnerable to natural disasters, such as earthquakes, floods, fires, power loss and telecommunications failures, as well as security concerns, including break-ins, sabotage, intentional acts of vandalism and similar misconducts. These providers may also be subject to local administrative actions, changes to legal or regulatory requirements and litigious proceedings to stop, limit or delay operations. Any unanticipated problems with our third-party providers could result in lengthy interruptions in our services.

In addition, these hardware, software and cloud computing platforms and logistics services may not be available at reasonable prices, on commercially reasonable terms, or at all. Losing the right to use any of these hardware, software or cloud computing platforms or logistics services will significantly increase costs, or delay provision of services until equivalent technology is developed, or if available. We will need to replace such third parties, at a cost, if the performance of such third parties proves unsatisfactory, or if any of them violates its contractual obligations owed to us. Further, the financial condition of our third-party providers may deteriorate over the course of our contract terms with them, which may also impact the ability of such third parties to provide the agreed services and will have a material adverse effect on the services we provide our business partners and our business as a result.

Limitations on our business operations.

We use open-source software and expect to continue to use open-source software in the future. Although we monitor our use of open-source software to avoid our software being subject to conditions we do not intend, we may face allegations from others alleging ownership of, or seeking to enforce the terms of, an open-source license, including by demanding release of the open-source software, derivative works, or our proprietary source code that was developed using such software. These allegations could also result in litigation. The terms of many open-source licenses have not been interpreted by courts. There is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our software. In such an event, we may be required to seek licenses from third parties to continue to commercially offer our software, to make our proprietary code generally available in source code form, to re-engineer our software or to discontinue the sale of our software if re-engineering could not be accomplished on a timely basis, any of which could adversely affect our business and revenue.

As open-source software is subject to further development and modification by anyone, the use of open-source software may subject us to risks of reducing demand for our matching services from customers and increased competition from competitors who also use open-source software to develop matching services.

Other our business, financial condition and results of operations may be materially and adversely affected.

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Our failure to make sufficient contribution to social insurance fund for our employees may have an adverse impact on us.

We are obliged to contribute to social insurance and housing provident funds for our employees in accordance with applicable PRC laws and regulations. Entities failing to make such contributions may be ordered to settle the outstanding contributions within a prescribed time limit and/or subject to penalties. During the Track Record Period, our certain subsidiaries and branches in the PRC did not make sufficient contribution to social insurance fund for some employees as required under PRC laws and regulations. For each year of the Track Record Period, the estimated shortfall amount of social insurance fund was RMB1,124, RMB4,434, RMB555 and nil, respectively. During the Track Record Period, there had not been any shortfall amount of housing provident fund. According to applicable PRC laws and regulations and as advised by our PRC Legal Advisor, if we fail to make full contribution of social insurance within the prescribed period, we may be required by relevant regulatory authorities to make up the outstanding amount prior to a stipulated deadline and we may be liable for the additional late payment penalty at the daily rate of 0.05% of the shortfalls. Moreover, we may be liable to a fine of one to three times of the outstanding contribution amount in the event that we fail to make such payments in time. As advised by our PRC Legal Advisor, based on relevant laws and regulations, as long as (1) we make full payment within the stipulated deadline as required by relevant authorities once we received the notifications from the relevant authorities requiring us to pay the shortfalls and (2) the failure to make full payment of the social insurance fund does not have a material adverse impact on our business operations, the risk of us being subject to administrative penalties imposed by the relevant social insurance fund authorities is remote. During the Track Record Period, the estimated shortfall amount of social insurance fund was insignificant. Moreover, during the Track Record Period and as of the Latest Practicable Date, we had not been subject to any administrative penalties, material litigations and legal proceedings, nor were we aware of any material employee complaints nor involved in any material labor disputes with our employees with respect to social insurance fund. We would make full payment within the stipulated deadline as required by relevant authorities once we received the notifications from the relevant authorities requiring us to pay the shortfalls. As a result, we did not make any provisions in connection with the contribution of social insurance fund during the Track Record Period and up to the Latest Practicable Date.

Although we had not been subject to any administrative penalties in connection with our contribution of social insurance fund during the Track Record Period, there is no assurance that the relevant PRC authorities would not notify and require us in the future to pay the outstanding contributions by a stipulated deadline, or any of our employees would not make complaints or demand for payment for any outstanding contribution. In the case we do not pay the outstanding contributions in accordance with PRC laws and regulations and as required by the relevant PRC authorities, we may be subject to a penalty fine and/or an order from the competent authorities to enforce such payment.

We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third-parties from any unauthorized use of our technologies and may be subject to claims by third parties for intellectual property infringement.

We rely on a combination of copyright, trademark, patent and other intellectual property laws, trade secret protection and confidentiality and invention assignment agreements with our employees and third parties and other measures to protect our intellectual property rights. There can be no assurance that any of our pending patents, trademarks, software copyrights or other intellectual property applications will be issued or registered. We also depend, to a large extent, on our ability to effectively develop and maintain intellectual property rights relating to our business. We cannot guarantee that third parties will not put forward claims that our business infringes upon or otherwise violates patents, copyrights or other intellectual property rights which they hold,

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whether such claims are valid or otherwise. In addition, any intellectual property rights we have obtained or may obtain in the future may not be sufficient to provide us with a competitive advantage, and could be challenged, invalidated, circumvented, infringed or misappropriated.

Unauthorized parties may attempt to copy or otherwise obtain and use our copyrighted content and other intellectual property, despite our efforts to protect our intellectual property rights. We may have to resort to courts or administrative proceedings to enforce our intellectual property rights from time to time. On the other hand, we may also face allegations that we have infringed the trademarks, copyrights, patents and other intellectual property rights of third parties, including our competitors, or allegations that we are involved in unfair trade practice. Our products and services may be subject to legal proceedings relating to allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and violations of rights of third parties. As we face increasing competition, and as litigation becomes a more commonly pursued method for resolving commercial disputes in China, we face a higher risk of being the subject of intellectual property infringement claims. To protect our intellectual properties, we have filed trademark applications in the PRC in which our Directors believe to be our principal or targeted markets and some of our trademark applications are being processed by the relevant government authorities. However, the PRC has historically afforded less protection to a company’s intellectual property than other developed regions such as the United States and intellectual property claims may result in substantial cost and diversion of resources. We could lose our crucial competitive advantage derived from such intellectual property and may be susceptible to claims from third parties asserting infringement and other related claims as our trademarks may bear similar character(s), pronunciation, meaning, graphic composition or other characteristics that are likely to cause confusion among the public as to the source of the goods or services with those owned by other companies.

Defending against intellectual property claims is costly and there is no guarantee that we can obtain favorable final outcomes. Such intellectual property claims or even allegations of infringements may harm our brand and reputation. Any resulting liability or expenses, or changes required to our online marketplaces to reduce the risk of future liability, may have a material adverse effect on our business, results of operations, and prospects.

We have incurred net losses, net current liabilities, net liabilities and negative operating cash flows in the past, which we may continue to experience in the future.

We incurred net losses of RMB0.3 million for the year ended December 31, 2022, primarily due to the recognition of financial instruments with preferred rights. Our financial instruments with preferred rights will be reclassified from current liabilities to other reserve with no further gain or loss when the preferential rights are automatically terminated upon the [REDACTED]. Afterwards, we do not expect to recognize any further loss or gain from changes in carrying amount of financial instruments with preferred rights and may revert back to net gain from net loss. However, there can be no assurance that we would be profitable. If we fail to become profitable, our business, results of operations and financial condition may be adversely affected. Our ability to achieve profitability largely depends on our ability to further expand and refine our business model, but we cannot assure you that we will continue to maintain a sound growth momentum. We may continue to experience net loss in the future.

We had net current liabilities and net liabilities of RMB1,132.8 million and RMB1,089.4 million as of December 31, 2022, RMB1,098.9 million and RMB1,093.0 million as of December 31, 2023, RMB911.1 million and RMB908.9 million as of December 31, 2024 and RMB773.5 million and RMB772.0 million as of May 31, 2025, respectively, primarily due to recognition of financial instruments with preferred rights. Our financial instruments with preferred rights will be reclassified from current liabilities to other reserve with no further gain or loss when the preferential rights are automatically terminated upon the [REDACTED]. Afterwards, we do not expect

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to recognize any further loss or gain from changes in carrying amount of financial instruments with preferred rights and may revert back to a net assets position from a net liabilities position. However, there can be no assurance that we will not experience liquidity problems in the future. If we fail to generate sufficient revenue from our operations, or if we fail to maintain sufficient cash and financing, we may not have sufficient cash flows to fund our business, operations and capital expenditure and our business and financial position will be adversely affected.

In addition, we recorded a net cash used in operating activities of RMB15.5 million for the year ended December 31, 2023, compared to a net cash generated from operating activities of RMB0.8 million for the year ended December 31, 2022, primarily due to an increase in trade receivables of RMB187.7 million in 2023, a consistently faster payables settlement for products sold under Yangxiaomie and various other factors. For a detailed discussion, see “Financial Information — Liquidity and Capital Resources — Cash Flow — Cash Flows Generated from/(Used In) Operating Activities.”

We cannot assure you that we will not experience negative operating cash flows in the future. Our ability to generate adequate cash inflows from operating activities may be affected by our future operating performance, prevailing economic conditions, our financial, business and other factors, many of which are beyond our control. We may not have sufficient cash flow to fund our operating costs and constrain our operational flexibility and, in that event, our business, financial condition and results of operations could be adversely affected.

Our leased property interests may be defective and our right to lease or use the property may be affected.

As of the Latest Practicable Date, we leased four properties in the PRC with an aggregate gross floor area of approximately 2,507.7 square meters, among which the actual usage of one property was inconsistent with the usage set out in its title evidence and the lessor of two leased property had not provided us with valid title certificates or relevant authorization documents evidencing the lessor’s rights to lease the property to us. If the lessor is found out to not have the requisite rights to lease these properties, our relevant lease agreement with the lessor may be deemed invalid, and as a result we may be required to vacate this leased property. As of the Latest Practicable Date, we are not aware of any claim or challenge brought by any third parties concerning the use of our leased property without obtaining proper ownership proof. If our lease agreement is claimed as null and void by third parties who are the real owners of such leased properties, we could be required to vacate the properties, in which event we could only initiate the claim against the lessor under relevant lease agreement for indemnities for breach of the relevant lease agreement. We cannot assure you that suitable alternative locations are readily available on commercially reasonable terms, or at all, and if we are unable to relocate our operations in a timely manner, our operations may be interrupted.

In addition, as of the Latest Practicable Date, we had not registered the lease agreements for two of our aforementioned leased properties with the local housing administration authorities as required under PRC laws. Our PRC Legal Advisor has advised us that although the non-registration of such lease agreements would not affect the validity of such agreements under PRC laws and regulations, we may be ordered to rectify such nonregistration by competent authorities and if we fail to rectify within a prescribed period, an administrative penalty of RMB1,000 to RMB10,000 for each non-registered case may be imposed on us as a result of such non-registration. There is no assurance that we will not be subject to any future administrative penalties for such nonregistration in respect of leases for which we did not file registration, and if we are penalized, our business, results of operations and financial condition may be adversely affected. For more details, see “Business — Property” in this document.

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We may be subject to legal, regulatory and/or administrative proceedings.

We may be subject to litigation and proceedings relating to intellectual property infringement claims, contract disputes involving business partners and end consumers relating to our online marketplaces, consumer protection claims, claims relating to data and privacy protection, employment-related cases, payment and settlement disputes and other matters in the ordinary course of our business. We may be involved in legal proceedings arising from contract disputes, including being named as a co-defendant in lawsuits filed against our business partners. In July 2022, we initiated a lawsuit against a customer, namely Company I, who failed to settle its service fees, being the total amount of outstanding trade receivables due from such customer, of RMB11.5 million in total for services rendered in our usual and ordinary course of business as we had a disagreement on the settlement arrangement for service fees. The lawsuit was ruled in favor of us by both the court of first instance and the court of second instance, with approximately RMB12.1 million of service fees ruled to be payable to us. The ruling by the court of second instance is final and Company I has not filed any appeal application as at the Latest Practicable Date. Up to May 31, 2025, we had received aggregate amount of RMB12.1 million and the lawsuit had been fully settled. We anticipate that we will continue to be involved in legal, regulatory and/or administrative proceedings in the future incidental to our ordinary course of business. We cannot assure you that we will be able to prevail in the proceedings against us and defending against lawsuits is costly and time consuming, which may adversely affect our reputation, operating results and financial conditions.

Our business and prospects depend on our ability to build our brand and reputation, which may not be effective, and our brand and reputation could be harmed by negative publicity with respect to us, our services and operations, our management or our business partners.

As well-established brands can attract new business partners, maintaining and enhancing our brand is critical to our success. Since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brand will depend on the effectiveness of our marketing efforts and word-of-mouth referrals we receive from satisfied business partners. We may incur extra expenses in promoting our brand, and yet, we cannot assure you that we can achieve the brand promotion effect we expect through promotional activities. In addition, negative publicity about us, our services and operations, our management or our business partners may adversely affect our brand, reputation and business. Certain of such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control.

We are dependent on the continued services and performance of our senior management and other key employees, and the loss of any of whom could adversely affect our business, results of operations and financial condition.

Our success depends on the continued and collaborative efforts of our senior management and key employees. If, however, one or more of our executives or other key personnel are unable or unwilling to continue to provide services to us, we may not be able to find suitable replacements easily or at all. Competition for management and key personnel is intense and the pool of qualified candidates is limited. We may not be able to retain the services of our executives or key personnel or attract and retain experienced executives or key personnel in the future. If any of our executive officers or key employees joins a competitor or forms a competing business, we may lose crucial business secrets, know-hows, business partners and other valuable resources. Our future success will also depend on our ability to attract and retain highly skilled AI and analytics experts, quality professionals with technical education background or experience, and skilled employees in the areas of technology, managerial, editorial, finance, marketing, sales and customer service. Qualified individuals are in high demand, and we may not be able to successfully attract, assimilate or retain the personnel we need to succeed.

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The success of our Company also depends on our ability to continue to attract and retain highly skilled personnel specializing in areas such as AI, machine learning and marketing. We may not be able to locate suitable or qualified replacements, if we lose the services of any member of skilled employees. We may also incur additional expenses to recruit and train new employees. In addition, competition for skilled personnel in our industry is intense, and the availability of suitable and qualified candidates in the PRC is limited. We may need to offer higher compensation along with other benefits to attract qualified personnel. If we fail to attract and retain qualified personnel, our financial position and results of operations could be materially and adversely affected.

Activities of our business partners and other third-parties could damage our brand, subject us to liability and harm our business and financial results.

Our contract clauses prohibit our business partners from using our services to engage in illegal activities and permit us to curb these business partners by reporting such illegal use to relevant authorities and terminate the business partners’ accounts if we become aware of such illegal use. Nevertheless, business partners who provide goods and services through our online marketplaces may engage in prohibited or illegal activities that could subject us to liability, such as marketing counterfeit or inferior products, conducting fraudulent activities, or uploading content in violation of applicable laws. As advised by our PRC Legal Advisor, if we have known or should have been aware of such misconduct of our business partners and yet have not taken necessary measures including but not limited to deleting relevant information, blocking or disconnecting relevant link, we may bear joint and several liability with such business partners. Furthermore, we may be jointly and severally liable with such business partners for the losses suffered by their customers, if we fail to take necessary measures after knowing or receiving notices of such misconduct. In addition, we may also face administrative inquiries, inspections, investigations and proceedings by relevant regulatory agencies for misconduct or actions of our business partners that are deemed to be hostile, offensive, inappropriate or illegal. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any misconduct by business partners and have not incurred any loss due to misconduct of our business partners. We cannot assure you that the safeguards we have in place are sufficient for us to avoid liability or avoid harm to our brand, which could adversely affect our business and financial results.

We have limited control over the quality, storage and delivery of goods and services sold on our online marketplaces. Our business partners use their own facilities to store their merchandise, and use their own or third-party delivery systems to deliver their merchandise to end customers, which makes it difficult for us to ensure that all merchandise and services sold on our online marketplaces to end customers are of the same high quality. Any delays in delivery by our business partners may adversely affect our reputation. A public perception that non-authentic, counterfeit or defective merchandise is sold on our apps or that we or our business partners do not provide satisfactory customer service and receive customer complaints, even if such perception is factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract new or retain our business partners and end customers, which could adversely affect our business and financial results.

Our results of operations may be subject to seasonal fluctuations.

We may experience seasonality with respect to our operation of online marketplaces in the future due to seasonal fluctuations inherent in our business partners’ businesses. We typically generate higher revenue during holiday and flash sale seasons, such as Double 11 (Singles’ Day in China). As a result, our revenues may vary over quarters, and our quarterly results may not be comparable to the corresponding periods of prior years, and you may not be able to predict our annual results of operations based on a quarter-to-quarter comparison of our results of operations.

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As we acquire more business partners in the online retail industry, we believe that our business may become more seasonal in the future, and that historical patterns in our business may not be a reliable indicator of our future sales activity or performance, and any future quarterly fluctuations in our revenues and results of operations could result in volatility and cause the price of our shares to fall. As our revenues grow, these seasonal fluctuations may become more pronounced as a result.

Our risk management may not be effective in all respects, which may materially and adversely affect our business and results of operations.

We were a private company with limited personnel and resources addressing accounting and internal control concerns. As we continue to expand, we seek to establish risk management and internal control systems consisting of an organizational framework, policies, procedures and risk management methods that are appropriate for our business operations. See “Business — Internal Control and Risk Management.” Nevertheless, we cannot assure you that our risk management and internal control systems will be able to identify, prevent and manage all risks due to the inherent limitations in the design and implementation of risk management and internal.

In addition, our risk management and internal controls are subject to human errors and mistakes when being implemented by our employees. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements, which would likely cause to lose confidence in our reported financial information. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets, regulatory investigations and civil or criminal sanctions.

Our strategy of making strategic acquisitions and investments may fail and may result in material and adverse impact on our financial condition and results of operations.

As part of our business growth strategy, we may invest in or acquire assets, technologies and businesses that are complementary to our existing business and our investments or acquisitions may not yield the results we expect. Our investments and acquisitions may subject us to various risks, including high acquisition and financing costs, potential ongoing financial obligations and unforeseen or hidden liabilities, loss of benefits from alternative revenue-enhancing opportunities, uncertainty of entering into markets in which we have limited or no experience, costs associated with, and difficulties in, integrating acquired businesses into ours and diversion of our resources and management attention. Our failure to address these concerns will adversely affect our business operation and financial results.

In addition, our strategic investments and acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, significant amortization expenses related to goodwill or intangible assets and exposure to potential unknown liabilities of the acquired business, which could in turn adversely affect our results of operations. Furthermore, we may also need approvals from the relevant PRC governmental authorities for the investments and acquisitions and comply with any applicable PRC rules and regulations, which could generate additional compliance costs. Moreover, the cost of identifying and consummating investments and acquisitions, and integrating the acquired businesses into ours, may be significant, and the integration of acquired businesses may be disruptive to our existing business operations and we may not be successful in developing the synergies that we expect from any such acquisitions. Acquisitions and the integration of new assets and businesses into our own require significant attention from management. Acquisitions could divert resources from our existing business, which could adversely affect our operations. On top of all the aforementioned risks and concerns, our investments and acquisitions may not be successful, which will adversely affect our results of operations and financial condition.

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We may not have sufficient insurance coverage to cover our potential liability or losses and as a result, our business, financial conditions, results of operations and prospects may be materially and adversely affected should any such liability or losses arise.

Insurance companies, particularly in China and other emerging markets, currently do not offer as extensive an array of insurance products as insurance companies in more developed economies. We do not have any business liability or disruption insurance to cover our operations. In particular, we currently do not maintain product liability insurances or key-man insurances. We do not have any business liability or disruption insurance to cover our operations. We have determined that it is difficult to insure against these risks on commercially reasonable terms. Nevertheless, any uninsured occurrence may disrupt our business operations, expose us to liabilities, require us to incur substantial costs and divert our resources, which could have an adverse effect on our results of operations and financial condition.

Any discontinuation, reduction or delay of any preferential tax treatments that may be available to us in the future could materially and adversely affect our business, financial condition and results of operations.

During the Track Record Period, we enjoyed preferential tax treatment under relevant preferential tax policies. See “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss — Our Company — Income Tax Credit/(Expense).” We cannot assure you that we will continue to enjoy the preferential tax treatments as government agencies may decide to reduce, eliminate or cancel our tax preferences at any time. Any discontinuation, reduction or delay in tax treatment could adversely affect our financial condition. As government grants are typically provided on a one-off basis, we cannot assure you that we will continue to receive the grants in the future.

We have granted, and may continue to grant, share incentives, which may result in increased share-based compensation expenses that would potentially dilute shareholding and negatively impact our results of operations.

We have adopted the RSU Schemes on April 26, 2022, to incentivize certain eligible persons under the share incentive plans (including existing and incoming directors, senior management and employees). In 2022 and 2024, we incurred equity-settled share-based payments of RMB15.8 million, and RMB36.9 million, respectively. In 2023, we recorded a reversal of equity-settled share-based payment of RMB7.3 million due to the forfeiture of a number of RSUs previously granted to employees who had left our Company during 2023. See “History, Reorganization and Corporate Structure — Compliance with PRC Laws and Regulations” and “Appendix IV — Statutory and General Information — D. RSU Schemes” for details. As we believe share-based compensation will help us attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company, we will continue to implement the share incentive plans adopted and grant share-based compensation to such eligible persons. Any newly granted RSUs under the RSU Schemes, options, or any other share-based compensations that we may grant from time to time may result in an increase in our issued share capital, which in turn may result in a dilution of our shareholders’ shareholding interest in our Company and a reduction in earnings per Share. As a result of the RSU Schemes, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Our results of operations, financial conditions and prospects may be adversely affected by the recoverability of our prepaid expenses and other receivables.

During the Track Record Period, our prepaid expenses and other receivables consist primarily of (i) advance to third party suppliers that are our marketplace suppliers, (ii) deposits in relation to security deposit for our

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business and operations and security deposits we made to third parties for leasing office facilities, and payments made on behalf of others in relation to employee provident fund deduction, (iii) amounts due from third parties in relation to receivables due from third parties arising from settlement of creditor’ rights, (iv) prepayments for costs incurred in connection with the [REDACTED] including fees for legal, accounting and other professional services and (v) prepaid expenses in relation to administrative and facilities expenses. Our prepaid expenses and other receivables were RMB20.1 million, RMB28.1 million, RMB26.6 million and RMB42.7 million, as of December 31, 2022, 2023 and 2024 and May 31, 2025, respectively. For the years ended December 31, 2022 and 2023 we had impairment loss on financial assets of RMB9.4 million and RMB2.6 million, respectively. For the year ended December 31, 2024, we had impairment gain on financial assets of RMB5.3 million. For the five months ended May 31, 2025, we had impairment loss on financial assets of RMB1.7 million. The impairment loss on financial assets during the Track Record Period was primarily attributable to the impairment losses we recorded for our trade receivables and other receivables. The impairment gain on financial assets during the Track Record Period was primarily attributable to a reversal of an impairment loss, which was mainly attributable to the recovery of amounts due from Company I. We cannot assure you that all of our suppliers or lessors will not default on their obligations to us in the future or all of our prepaid expenses and other receivables will be recovered as expected in the future. We will need to impair any prepaid expenses and other receivables that we do not expect to recover in the future, which would adversely affect our results of operations and financial conditions.

If we are unable to fulfill our performance obligations in respect of contract liabilities, our results of operations and financial condition may be adversely affected.

As of December 31, 2022, 2023, and 2024 and May 31, 2025, respectively, we recorded contract liabilities (current portion) of RMB18.9 million, RMB39.6 million, RMB5.0 million and RMB38.8 million, respectively. Our contract liabilities mainly arise from receipts in advance of non-refundable payments made by marketplace suppliers on Yangxiaomie. See “Financial Information — Certain Components of Our Consolidated Statements of Financial Position — Contract liabilities.” If we fail to fulfill our performance obligations under our contracts with customers, we may not be able to convert such contract liabilities into revenue, which may adversely affect our results of operations and financial conditions, including our cash flow and liquidity condition and our ability to meet our working capital requirements. In addition, if we fail to fulfill our performance obligations under our contracts with customers, it may also adversely affect our relationship with such customers, which may in turn affect our reputation and results of operations in the future.

Our results of operations, financial conditions and prospects may be adversely affected by changes in the carrying amount of financial instruments with preferred rights.

During the Track Record Period, we had financial instruments with preferred rights, which gave rise to financial liabilities. The financial liabilities are measured at the present value of the redemption amount. During the Track Record Period, the carrying amount of financial instruments with preferred rights are RMB1.4 billion, RMB1.6 billion, RMB1.7 billion and RMB1.8 million as of December 31, 2022, 2023 and 2024 and May 31, 2025, respectively. For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, we recorded changes in the carrying amount of financial instruments with preferred rights of RMB84.1 million, RMB141.6 million, RMB155.7 million and RMB69.4 million, respectively. We expect continued fluctuation of the financial instruments with preferred rights after December 31, 2024 till the [REDACTED] Date, upon which all financial instruments with preferred rights will be reclassified from current liabilities to other reserve. After the automatic conversion of the financial instruments with preferred rights into other reserve upon the [REDACTED], which we expect to result in a net asset position, we do not expect to recognize any further loss or gain on changes in carrying amount of financial instruments with preferred rights in the future.

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Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases may materially and adversely affect our business, financial condition and results of operations.

Our business, financial condition and results of operations may be affected by force majeure events, natural disasters or outbreaks of epidemics and contagious diseases, including the COVID-19 pandemic, avian influenza, severe acute respiratory syndrome, H1N1 influenza or Ebola virus. For instance, an outbreak of an epidemic or contagious disease could result in a widespread health crisis and restriction of business activities in affected areas. Any future occurrence of severe natural disasters, such as earthquakes, floods and droughts, as well as other events like war, acts of terrorism, environmental accidents, power shortages, or communication disruptions, may materially and adversely affect its economy and therefore our business. We cannot assure you that any future occurrence of natural disasters, outbreaks of epidemics and contagious diseases and force majeure events will not seriously disrupt our operations or those of our business partners, which may materially and adversely affect our business, financial condition and results of operations.

We may be held liable for information or content displayed on, retrieved from or linked to our platform, which may materially and adversely affect our business and results of operations.

In PRC, internet content providers and internet publishers are prohibited from posting or displaying over the internet content that, among other things, violates PRC laws or regulations, impairs the national dignity of China, contains terrorism, extremism, content of force or brutality, or is reactionary, obscene, superstitious, fraudulent or defamatory. Internet content providers are required to monitor content and take prompt actions against incorrect or defamatory content. If we fail to implement or enforce the relevant safeguards against security breaches, our websites may be shut down and our business and our internet content provider licenses, or ICP licenses, may be revoked.

According to the Administrative Provisions on Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》) which was promulgated by the CAC and became effective in August 2016, providers of apps may not create, copy, publish or distribute information and content that is prohibited by laws and regulations. According to the amended Administrative Provisions on Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》) which was promulgated by the CAC in June 2022 and became effective in August 2022, application providers shall not use applications to carry out activities which jeopardize national security, disturb the social order, or infringe legal rights of others. We are required to adopt and implement management systems of information security and establish and improve procedures on content examination and administration. We must adopt such measures as warnings, restricted releases, suspension of updates and closing of accounts, keeping relevant records, and reporting unlawful content to competent government authorities. We have implemented internal control procedures screening the information and content on our apps to ensure their compliance with these provisions. However, there can be no assurance that all the information or content displayed on, retrieved from or linked to our apps complies with the requirements of the provisions at all times. If our apps were found to violate the provisions, we may be subject to administrative penalties, including warning, service suspension or removal of our apps from the relevant app store, which may materially and adversely affect our business and operating results.

Economic, political and social factors affecting global macroeconomic environment may adversely impact our business, financial condition, and results of operations.

The global macroeconomic environment has been facing challenges. Various economic factors may cause considerable uncertainty over the global economy, such as inflation, increase in cost of labor and the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies. Any severe or prolonged slowdown in the global or local economy may materially and adversely affect our business, financial condition, and results of operations.

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Political conditions, such as the tensions in international trade, implementation of new regulations relating to our business and new regulations relating to foreign currency conversion, could materially and adversely affect our business. Changes to international trade policies could adversely affect the global economic conditions. In addition, geopolitical tensions have escalated and may continue to escalate due to, among other things, trade disputes, sanctions and regulations that may prohibit or hinder cross-border transactions. Rising political tensions could reduce levels of trades, investments, technological exchanges, and other economic activities globally. Such tensions, and any escalation thereof, may negatively affect trading and business environments, which may, in turn, adversely impacting our business, financial condition, and results of operations.

In addition, various global social conditions, such as social unrest, terrorist threats and potential and ongoing wars, may increase market volatility across the globe, which may adversely affect our business, financial condition and results of operations.

We may be unable to obtain any additional capital required in a timely manner or on acceptable terms, or at all. Further, our future capital needs may require us to sell additional equity or debt securities that may dilute our Shareholders’ shareholdings or introduce covenants that may restrict our operations or our ability to pay dividends.

We may require additional capital from time to time to grow our business and remain competitive. Our ability to obtain additional capital is subject to a variety of risks, including:

- our market position and competitiveness in the industries in which we operate;
- our future profitability, overall financial condition, results of operations and cash flows;
- general market conditions for capital-raising activities by our competitors or other operators of online marketplaces for consumption in China; and
- economic, political and other conditions in China and internationally.

We may be unable to obtain additional capital in a timely manner or on acceptable terms, or at all. In addition, we may be required to sell additional equity or debt securities, or to obtain a credit facility to fund our future capital or other business needs, which may, in turn dilute our Shareholders’ shareholdings. Any incurrence of indebtedness will also lead to increased debt service obligations, and could result in operating and financing covenants that may restrict our operations or our ability to pay dividends to our Shareholders.

User growth and activity on our app depend upon effective use of mobile operating systems, networks and standards that we do not control.

Our future growth and our results of operations could suffer if we encounter technical problems in operating and maintaining such apps in the future, or if we are treated unfavorably in related apps due to competition, it would thereby increase the cost of using such apps for our customers. Also, we may encounter unpredictable and uncontrollable factors in different mobile device operating systems (such as iOS and Android) due to updates to these operating system, some of which may change or reduce the functionality of our apps or may adversely affect the proper operation of these apps and our business. In the event that it is more difficult or impossible for our customers to access and use our apps on their mobile devices, our customer growth may be harmed and our business financial condition and results of operation may be adversely affected.

We are subject to risks relating to third-party online payment platforms.

Currently, our end customers transact on our apps through third-party online payment systems. In all these online payment transactions, secured transmission of confidential information such as paying users’ credit card numbers and personal information over public networks is essential to maintaining users’ trust and confidence on our apps.

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We do not have control over the security measures of the third-party online payment vendors. Any security breaches of the online payment systems that our apps use could expose us to litigation and possible liability for failing to secure confidential user information and could, among other things, damage our reputation and the perceived security of all of the online payment systems that our apps use. If a well-publicized internet or mobile network security breach were to occur, users may become reluctant to purchase goods and services even if the publicized breach did not involve payment systems or methods used by our apps. There may also be billing software errors that would damage user confidence in these online payment systems. If the end customers become reluctant to purchase products on our apps, our results of operations may be adversely affected.

If any of the above were to occur and damage our reputation or the perceived security of the online payment systems our apps use, we may lose paying end customers and business partners may be discouraged from collaborating with us on our apps, which may have a material adverse effect on our business. In addition, there are currently only a limited number of reputable third-party online payment systems in China. If any of these major payment systems decides to cease to provide services to our apps, or significantly increase the percentage charged for using their payment systems, our results of operations may be materially and adversely affected.

We face ethical and reputational risks associated with the use of our AI technology and AI-powered algorithms.

As with many developing technologies, AI presents risks and challenges that could affect its further development, adoption and use, and therefore our business. Our application of AI technology and AI-powered algorithms may produce biased analysis and result in discrimination against inquiry subjects cast in certain stereotypes, such as product recommendations based on regional, gender, education or cultural background. We have developed a generative AI product with deep logical reasoning capabilities called Liangxingwen, which has not yet been launched and is not in operation. Even though Liangxingwen has not been launched, it is still subject to the compliance requirements of the Generative AI Services Measures, as these measures also impose obligations on the research and development process of generative AI technology. Therefore, our PRC Legal Advisors are of the view that the Generative AI Services Measures are applicable to us. To comply with these requirements, we have submitted the application for the filing of our generative AI model, Liangxingwen to the Beijing branch of the Cyberspace Administration of China and completed such filings in October 2024. In October 2024, we also have completed the filing of the generative AI algorithm Liangxingwen with the CAC. Inappropriate or controversial practices by engineers and end-users of our systems could impair the acceptance of AI solutions. If the recommendations and analysis that AI applications assist in producing are deficient or inaccurate, we could be subjected to reputational harm and potential legal liability. AI application of certain of our business, such as recommendation technologies seeking to understand end customers’ short, medium and long-term interest, may present ethical issues. If the AI solutions we offer are controversial because of their purported or real impact on privacy, employment or other social issues, we may experience ethical or reputational harm and negative corporate social responsibility record and regulatory compliance issues.

If we fail to comply with applicable anti-monopoly laws and regulations, our reputation may be harmed and we could be subject to penalties and significant expenses that have a material adverse effect on our business, financial condition and results of operations.

In February 2021, the Anti-Monopoly Commission of the State Council published the Anti-Monopoly Guidelines on the Platform Economy Sector (《關於平台經濟領域的反壟斷指南》) (the “**Anti-Monopoly Guidelines**”) that aims at specifying some of the circumstances under which an activity of internet platforms may be identified as monopolistic act as well as setting out merger controlling filing procedures involving variable

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interest entities. In addition, in June 2022, the Standing Committee promulgated the Standing Committee on Amending the Anti-Monopoly Law of the People’s Republic of China (《全國人民代表大會常務委員會關於修改〈中華人民共和國反壟斷法〉的決定》), which will take effect on August 1, 2022, clearly prohibiting exporting any data or algorithms technology or platform rules or otherwise to exclude or restrict competition. The promulgation of the Anti-Monopoly Guidelines and relevant anti-monopoly laws and regulations, may increase our compliance costs and subject us to heightened risks and challenges. We may have to spend much more personnel cost and time evaluating and managing these risks and challenges in connection with the provision of goods and services as well as our investments in our ordinary course of business to avoid any failure to comply with these regulations. Any failure or perceived failure by us to comply with the anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, litigations or claims against us and could have an adverse effect on our business, financial condition and results of operations.

The newly enacted Foreign Investment Law and its implementation rules may impact the viability of our current corporate structure, corporate governance, and operations.

On March 15, 2019, the National People’s Congress promulgated the Foreign Investment Law (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”), which took effect on January 1, 2020. This law replaced the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law, and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. Along with the Foreign Investment Law, the Implementing Regulation of Foreign Investment Law (《中華人民共和國外商投資法實施條例》) promulgated by the State Council and the Interpretation of the Supreme People’s Court on Several Issues Concerning the Application of the Foreign Investment Law (最高人民法院關於適用《中華人民共和國外商投資法》若干問題的解釋) (the “**FIL Interpretation**”) promulgated by the Supreme People’s Court became effective on January 1, 2020. The Foreign Investment Law and its implementation rules embody an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments.

The VIE structure has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. See “— Risks Relating to Our Contractual Arrangements.” Under the Foreign Investment Law, “foreign investment” refers to the investment activities directly or indirectly conducted by foreign individuals, enterprises or other entities in China. The Foreign Investment Law does not explicitly classify contractual arrangements as a form of foreign investment, since the Foreign Investment Law is relatively new, we cannot assure you that foreign investment via contractual arrangements would not be interpreted as a type of indirect foreign investment activities in the future. In addition, the Foreign Investment Law’s definition of “foreign investment” contains a catch-all provision providing that investments made by investors through other methods specified in laws or administrative regulations or other methods prescribed by the State Council, which leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council to provide for contractual arrangements as a method of foreign investment. Therefore, it is uncertain whether our Contractual Arrangements will be deemed to be in violation of the market entry clearance requirements for foreign investment under the PRC laws and regulations.

The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either “restricted” or “prohibited” from foreign investment in the Negative List. The Foreign Investment Law provides that foreign-invested entities are not allowed to operate in “prohibited” industries and their operating in “restricted” industries shall satisfy certain conditions and will require market entry clearance and other approvals from relevant PRC government authorities. In

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accordance with the FIL Interpretation, any claim to invalidate an investment agreement will be supported by courts if such agreement is found to be entered into for purposes of making investments in the “prohibited industries” under the Negative List or for purposes of investing in “restricted industries” while failing to satisfy the conditions set out in the Negative List. If our control over our Consolidated Affiliated Entities through Contractual Arrangements are deemed as foreign investment in the future, and any business of our Consolidated Affiliated Entities is “restricted” or “prohibited” from foreign investment under the “negative list” effective at the time, we may be deemed to be in violation of the Foreign Investment Law, the Contractual Arrangements that allow us to have control over our Consolidated Affiliated Entities may be deemed as invalid and illegal, and we may be required to unwind such Contractual Arrangements and/or restructure our business operations, any of which may have a material adverse effect on our business operations.

Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing Contractual Arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations.

If we fail to comply with applicable anti-corruption and anti-bribery laws, our reputation may be harmed and we could be subject to penalties and significant expenses that have a material adverse effect on our business, financial condition and results of operations.

We have direct or indirect interactions with officials and employees of government agencies and state-owned affiliated entities in the ordinary course of business and business collaborations with government agencies and state-owned affiliated entities. We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations in various jurisdictions in which we conduct activities. Our Company, our officers, Directors, employees, and business partners acting on our behalf, including agents, are prohibited from corruptly offering, promising, authorizing, or providing anything of value to a “foreign official” for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. We are also required to make and keep books, records, and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. A violation of these laws or regulations would adversely affect our business, reputation, financial condition, and results of operations.

We cannot assure that each of our employees is able to strictly follow our guidance on compliance with anti-corruption and anti-bribery laws and regulations or, in situations not covered by the guidance. Non-compliance with anti-corruption, anti-bribery by our employees, or even allegations of non-compliance, could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures, and legal expenses, all of which could materially and adversely affect our business, reputation, financial condition, and results of operations.

We are subject to consumer protection laws and regulations that could require us to modify our current business practices and incur increased costs.

Our business is subject to numerous PRC laws and regulations that regulate retailers generally or govern online retailers specifically, such as the Law on Protection of Consumers’ Rights and Interests of the PRC (《中華人民共和國消費者權益保護法》) (the “**PRC Consumer Protection Law**”). If these regulations were to change or if we or our business partners were to violate them, the costs of certain goods or services could increase, or we could be subject to fines or penalties or suffer reputational harm, which could reduce demand for the goods or

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services promoted on our apps and hurt our business and results of operations. For example, the amended PRC Consumer Protection Law, which became effective in March 2014, strengthens the protection of consumers and imposes more stringent requirements and obligations on business operators, with a particular focus on businesses that operate via the internet. Pursuant to the PRC Consumer Protection Law, except for the categories of goods specified in the PRC Consumer Protection Law or goods that are not suitable for return according to their nature and confirmed by the consumer at the time of purchase, consumers are entitled to return goods purchased within seven days upon receipt without giving any reasons if the purchases are made through the internet. Consumers whose interests have been harmed due to their purchase of goods or acceptance of services on platforms may claim damages from sellers or service providers. Laws and regulations regarding consumer protection, particularly those involving transactions conducted over the internet, may change. We are therefore unable to predict the ultimate cost of compliance with the relevant laws or regulations or their effect on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business.

The successful operations of our business and our growth depend upon the Internet infrastructure and telecommunication network in the PRC.

Our business operation depends on the performance and reliability of the Internet infrastructure in the PRC. In China, almost all access to the internet is maintained through state-owned telecommunication network operators under the administrative control and regulatory supervision of the MIIT. The national networks in the PRC are connected to the internet through state-owned international gateways. Therefore, in the event of disruption, failures or other problems with the internet infrastructure, we may not have access to alternative networks. Failure or disruption in network would interfere with the speed and availability of our communication-based services. In addition, we have no control over the costs of the services provided by the national telecommunications operators. If the prices that we pay for telecommunications and internet services rise significantly, our business, financial condition and results of operations could be adversely affected.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

As a holding company, we principally rely on dividends and other distributions on equity paid by and remittances from our Consolidated Affiliated Entities, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our Shareholders and service any debt we may incur. If our Consolidated Affiliated Entities incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Under relevant PRC laws and regulations, wholly foreign-owned enterprises in China may pay dividends only out of their retained earnings as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. Under the current regulation, our PRC subsidiaries may also allocate a portion of their respective after-tax profits based on PRC accounting standards to discretionary reserve funds, which are not distributable as cash dividends. Any limitation on the ability of our Consolidated Affiliated Entities to make remittance to our wholly-owned PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

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The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

A number of PRC laws and regulations have established procedures and requirements that could make merger and acquisition activities in China by foreign investors more time consuming and complex. In addition to the PRC Anti-monopoly Law itself, these include the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於國外投資者併購境內企業的規定》), or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, and the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the Security Review Rules (《商務部實施外國投資者併購境內企業安全審查制度的規定》), promulgated in 2011. These laws and regulations impose requirements in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. In addition, the PRC Anti-Monopoly Law requires that the anti-monopoly enforcement agency be notified in advance of any concentration of undertaking if certain thresholds are triggered. On February 7, 2021, the Anti-Monopoly Committee of the State Council published the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《國務院反壟斷委員會關於平台經濟領域的反壟斷指南》) (the “**Anti-Monopoly Guidelines**”), which stipulates that any concentration of undertakings involving variable interest entities is subject to anti-monopoly review. The Anti-Monopoly Guidelines provide more stringent rules for Internet platform operators, including regulations on the use of data and algorithms, technology and platform to commit abusive acts. Moreover, the Security Review Rules specify that mergers and acquisitions by foreign investors that raise “national defense and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the MOFCOM, and prohibit any attempt to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In addition, on October 23, 2021, the Standing Committee published the draft amendment to the PRC Anti-Monopoly Law (《中華人民共和國反壟斷法(修正草案)》), proposing increased penalties and pushing for more control over the digital sector. The amendment clearly prohibited undertakings that exclude or restrict competition by abusing the advantages in data and algorithms, technology and capital and platform rules. In addition, on June 24, 2022, the Standing Committee promulgated the Standing Committee on Amending the Anti-Monopoly Law of the People’s Republic of China (《全國人民代表大會常務委員會關於修改〈中華人民共和國反壟斷法〉的決定》), which took effect on August 1, 2022.

On December 19, 2020, the NDRC and the MOFCOM jointly issued the Measures for the Security Review for Foreign Investment (《外商投資安全審查辦法》), which took effect on January 18, 2021. These measures set forth the provisions concerning the security review mechanism on foreign investment, including, among others, the types of investments subject to review, and the review scopes and procedures. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the relevant regulations to complete such transactions could be time consuming, and any required approval processes, including approval from the MOFCOM and other PRC government authorities, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our Shareholders, and have a material adverse effect on our results of operations and the value of your investment.

Under the Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a “de facto management body” within the PRC is considered a “resident enterprise” and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term

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“de facto management body” as the body that exercises full and substantial control over and overall and substantial management of the business, productions, personnel, accounts and properties of an enterprise. In 2009, the SAT issued Notice of the State Administration of Taxation on Issues about the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (the “**SAT Circular 82**”), which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location where senior management personnel and departments that are responsible for the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and Shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

In addition, we and/or our offshore subsidiaries will also be subject to PRC enterprise income tax reporting obligations. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized on the sale or other disposition of our Shares may be subject to PRC tax, and dividends we pay may be subject to PRC withholding tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty). It is still subject to further clarification whether non-PRC Shareholders of our Company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in our Shares.

If the custodians or authorized users of controlling non-tangible assets of our Company, including our corporate chops and seals, fail to fulfill their responsibilities, or misappropriate or misuse these assets, our business and operations could be materially and adversely affected.

Under PRC laws, legal documents for corporate transactions are executed using the chops or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the relevant branch of the SAMR. However, the designated legal representatives of each of our subsidiaries and our Consolidated Affiliated Entities have the apparent authority to enter into contracts on behalf of such entities without chops and bind such entities.

In order to maintain the physical security of our chops and chops of our PRC entities, we generally store these items in secured locations accessible only by the authorized personnel in the legal or finance department of each of our subsidiaries and our Consolidated Affiliated Entities. However, there is no assurance such procedures will prevent all instances of abuse or negligence. If any of our authorized personnel misuse or misappropriate our corporate chops or seals, we could encounter difficulties in maintaining control over the relevant entities and experience significant disruption to our operations.

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Fluctuations in exchange rates could result in foreign currency exchange losses.

The value of the RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes resulting from the governments’ policies, and depends, to a large extent, on global or local economic and political developments, as well as supply and demand in the local market. It is difficult to predict how market forces or governmental policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future. We are subject to the risk of volatility in future exchange rates.

Any significant appreciation or depreciation of the RMB may adversely affect our revenues, earnings and financial positions, and the value of, and any dividends payable on, our Shares in a foreign currency. There are limited instruments available for us to hedge our foreign currency risk. Further, there are relevant foreign exchange laws and regulations in China. All of these factors could materially and adversely affect our business, financial condition, and results of operations and prospects, and could reduce the value of, and dividends payable on, the Shares in foreign currency terms.

PRC regulation of loans to, and direct investments in, PRC entities by offshore holding companies may delay or prevent us from using the [REDACTED] of the [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity, and our ability to fund and expand our business.

We may transfer funds to our PRC subsidiaries or finance our PRC subsidiaries by means of shareholders’ loans or capital contributions, or to our Consolidated Affiliated Entities by means of loans, after completion of the [REDACTED]. Any funds we transfer to our PRC subsidiaries, either as a Shareholder loan, or as an increase in registered capital, are subject to approval by, filing with, or registration with, relevant governmental authorities in China. According to the relevant PRC regulations on foreign-invested enterprises in China, capital contributions to our PRC subsidiaries are subject to the approval of, or filing with, the SAMR or its local branches, the information reporting in the online enterprise registration system, and foreign exchange registration with qualified bank. In addition, (i) any foreign loan procured by our PRC subsidiaries is required to be filed with the SAFE, or its local branches, through the online filing system of the SAFE, and (ii) each of our PRC subsidiaries may not procure loans which exceed a statutory upper limit. Any loan to be provided by us to our PRC subsidiaries with a term of more than one year must be recorded and registered by NDRC or its local branches. We may not be able to complete such approval, recording, filing or registration on a timely basis, if at all, with respect to future capital contributions or foreign loans by us directly to our PRC subsidiaries. If we fail to complete such approval, recording, filing or registration, our ability to use the [REDACTED] of our [REDACTED], and to capitalize our PRC operations, may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

Circular 19 and Circular 16 removed certain restrictions previously provided under the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested-Enterprises 《國家外匯管理局關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知》 (the “SAFE Circular 142”) on the conversion by a foreign-invested enterprise of its capital denominated in foreign currency into RMB and the use of such RMB and allowed foreign invested enterprises to settle their foreign currency-denominated capital at their discretion based on actual needs of their business operations. However, Circular 19 and Circular 16 continue to prohibit foreign-invested enterprises from, among other things, using RMB funds converted from their foreign exchange capitals for expenditure beyond their business scope, securities investment or other financial investment except for guaranteed financial products issued by banks, providing loans to non-affiliated enterprises or constructing or purchasing real estate not for self-use, except for real estate enterprises. On October 23, 2019, the SAFE issued the Circular on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關

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于進一步促進跨境貿易投資便利化的通知》), or SAFE Circular 28, which expressly allows foreign-invested enterprises that do not have equity investments in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investments as long as the investments are real and in compliance with the foreign investment-related laws and regulations. The applicable foreign exchange circulars and rules may significantly limit our ability to transfer to, and use in, China the [REDACTED] from our [REDACTED], which may adversely affect our business, financial condition and results of operations.

PRC regulations relating to the indirect transfers of equity interests in our PRC resident enterprises through transfers made by our Shareholders or our non-PRC holding companies may adversely affect our business and results of operations.

On February 3, 2015, the SAT promulgated the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (the “**Circular 7**”), which provides comprehensive guidelines relating to, and has also heightened the Chinese tax authorities’ scrutiny over, indirect transfers by a non-resident enterprise of assets (including equity interests) of a Chinese resident enterprise (the “**Chinese Taxable Assets**”). For example, Circular 7 states that where a non-resident enterprise transfers Chinese Taxable Assets indirectly, by disposing of equity interests in an overseas holding company directly or indirectly holding such Chinese Taxable Assets, and such transfer is deemed to be, for the purpose of avoiding EIT payment obligations, and without any other bona fide commercial purpose, the transfer may be reclassified by the Chinese tax authorities as a direct transfer of Chinese Taxable Assets. Circular 7 also introduced safe harbors for internal group restructurings and the purchase and sale of equity interests through a public securities market. On October 17, 2017, the SAT promulgated the Announcement on Matters Concerning Withholding and Payment of Income Tax of Non-resident Enterprises from Source (《關於非居民企業所得稅源泉繳扣有關問題的公告》) (the “**SAT Circular 37**”), which came into force on December 1, 2017. SAT Circular 37, among other things, simplifies the procedures of withholding and payment of income tax levied on non-resident enterprises.

Whether any exemptions under Circular 7 will be applicable to the transfer of our Shares is still subject to further clarification, such as purchasing our Shares in the open market, and selling them in a private transaction, or vice versa, or to any future acquisition by us outside of the PRC involving Chinese Taxable Assets, or whether the Chinese tax authorities classify such transactions by applying Circular 7. Thus, the Chinese tax authorities may deem any transfer of Shares by our non-resident enterprise Shareholders, or any future acquisitions by us outside of the PRC involving Chinese Taxable Assets, to be subject to the foregoing regulations, which may subject our Shareholders or us to additional Chinese tax reporting obligations or tax liabilities. In addition, any failure to comply with Circular 7 and SAT Circular 37 would result in regulatory actions, including requesting us to provide assistance in their investigation or imposing a penalties on us. Such actions could have a negative impact on our business, results of operations and financial condition.

We may be subject to penalties, including restriction on our ability to inject capital into our PRC subsidiaries, and on our PRC subsidiaries’ ability to distribute profits to us, if our PRC resident Shareholders or beneficial owners fail to comply with relevant PRC foreign exchange regulations.

Under the regulations promulgated by the SAFE, PRC residents and PRC corporate entities to register with, and obtain approval from, local branches of the SAFE in connection with their direct or indirect offshore investment activities. For instance, the Circular on Relevant Issues Relating to Domestic Resident’s Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), or SAFE Circular 37, was promulgated by the SAFE in July 2014, requiring PRC residents or entities to register with the SAFE or its local branch in connection with their

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establishment or control of an offshore entity established for the purpose of overseas investment or financing. These regulations apply to our Shareholders who are PRC residents, and may apply to any offshore acquisitions that we make in the future.

PRC residents who make, or have previously made, prior to the implementation of these foreign exchange regulations, direct or indirect investments in offshore companies, are required to register those investments under these foreign exchange regulations. Any PRC resident who is a direct or indirect Shareholder of an offshore company is required to update the previously filed registration with the local branch of the SAFE, with respect to that offshore company, to reflect any material change involving its round-trip investment, capital variation, such as a change of PRC Shareholders, the name of a company, terms of operation, an increase or decrease in capital, transfer or swap of Shares, merger or division. On February 28, 2015, the SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Notice 13, which became effective on June 1, 2015. In accordance with SAFE Notice 13, PRC residents are required to apply for foreign exchange registration of foreign direct investment and outbound direct investment, including such registrations required under SAFE Circular 37, with qualified banks, instead of the SAFE. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

In addition, under SAFE Circular 37, a PRC entity has to undergo the foreign exchange registration and updating procedure in accordance with the Provisions on Foreign Exchange Administration of the Outbound Direct Investment of Domestic Institutions, issued by the SAFE in July 2009, and other relevant regulations. In addition, pursuant to the Measures for the Administration of Outbound Investment promulgated by the MOFCOM in August 2014, and the Administrative Measures of Outbound Investment of Enterprises promulgated by NDRC in December 2017, both of which replaced previous rules regarding outbound direct investment by PRC entities, any outbound investment of PRC enterprises is required to be approved by or filed with the MOFCOM, NDRC or their local branches.

If any PRC Shareholder fails to make the required registration or to update the previously filed registration, the PRC subsidiary of that offshore parent company may be restricted from distributing its profits, and the proceeds from any reduction in capital, share transfer or liquidation to its offshore parent company, and the offshore parent company may also be restricted from injecting additional capital into its PRC subsidiary. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

We are committed to complying with, and to ensuring that our Shareholders who hold Shares in our Cayman Islands holding company and who are known to us as being PRC residents will comply with, applicable PRC regulations, including the requirements of NDRC and MOFCOM and their filing obligation under SAFE Circular 37 and other implementation rules. However, such registration might not always be practically available in all circumstances as prescribed in those regulations. In addition, we may not be fully informed of the identities of all our Shareholders or beneficial owners who are PRC residents, and we cannot assure you that all of our Shareholders and beneficial owners who are PRC residents will comply with our request to make, obtain or update, any applicable registrations, or comply with other requirements under SAFE Circular 37 or other related rules, in a timely manner. Failure of our beneficial owners who are PRC residents to register or amend certificates, filings or registrations in a timely manner pursuant to applicable PRC regulations, or the failure of future beneficial owners of our company who are PRC residents to comply with the registration procedures set forth in applicable PRC laws and regulations, could subject us to fines or legal sanctions, restrict our investment activities in the PRC and overseas, restrict our cross-border investment activities, limit our subsidiaries' ability to make distributions, pay dividends or make other payments to us, or affect our ownership structure, which could

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adversely affect our business and prospects. As of the Latest Practicable Date, the ultimate beneficial owners of our Shareholders, who are known to us as PRC citizens, have completed their initial registration under SAFE Circular 37.

Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Companies (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) in February 2012, replacing earlier rules promulgated in 2007. In particular, PRC citizens and non-PRC citizens who reside in China for a continuous period of no less than one year who participate in any share incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures. In addition, the company must retain an overseas-entrusted institution to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests.

In addition, SAFE Circular 37 stipulates that PRC residents who participate in a share incentive plan of an overseas non-publicly-listed special purpose company may register with SAFE or its local branches before they obtain the incentive shares or exercise the share options. We and our PRC employees who have been granted restricted Shares or options are subject to SAFE Circular 37. Our PRC restricted Shareholders who fail to complete their SAFE registrations may subject these PRC residents to fines and legal sanctions. Failure to comply with SAFE Circular 37 may also limit our ability to contribute additional capital into our PRC subsidiary, limit our PRC subsidiary’s ability to distribute dividends to us, or otherwise materially adversely affect our business.

Under other rules and regulations issued by the SAT concerning employee share incentives, our employees working in the PRC will be subject to PRC individual income tax upon exercise of the share options or grant of the restricted Shares. Upon exercise of the share options or grant of the restricted Shares, our PRC subsidiaries have to file documents with respect to the granted share options or restricted Shares with relevant tax authorities and to withhold individual income taxes for their employees upon exercise of the share options or grant of the restricted Shares. If our employees fail to pay, or we fail to withhold, their individual income taxes according to relevant rules and regulations, we may face sanctions imposed by the competent governmental authorities.

We may be adversely affected by the changes in PRC regulation of Internet-related businesses and companies, and any lack of requisite approvals, licenses, permits or filings applicable to our business may have a material adverse effect on our business and results of operations.

In China, the Internet industry and the licensing and permit requirements pertaining to companies in the Internet industry are extensively regulated. As these Internet-related laws and regulations are relatively new, and it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations in a timely manner. We cannot guarantee that we will be able to obtain all requisite approvals, licenses, permits and certifications in connection with our business operation and conduct our business within the business scope as described in the approvals, licenses, permits and certifications held by us because the regulatory authorities who have extensive authority to supervise and regulate the industry we operate in may not interpret relevant laws and regulations the way we do.

In addition, new laws, regulations and regulatory requirements for Internet-related industry in China are promulgated and implemented from time to time, as a result of which we may be required to obtain approvals,

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licenses, permits and certifications that we do not currently have for our existing business or new scope of business that we may expand into in the future. We could be found in non-compliance with regulations and may have to incur significant expenses and divert substantial management time to rectify the incidents. In the future, if we fail to obtain all the necessary approvals, licenses, permits and certifications required by relevant laws and regulations or if we are deemed to have conducted business operations requesting certain approvals, licenses, permits and certifications without having one, we may be subject to administrative penalties or the suspension of operations of the relevant business that do not have all the requisite approvals, licenses, permits and certifications, which could materially and adversely affect our business and results of operations. We may also experience adverse publicity arising from non-compliance with government regulations, which would negatively impact our reputation.

Furthermore, we cannot assure you that we will be able to meet the requisite conditions and requirements to renew our existing licenses or permits. There may also be delays on the part of government authorities in reviewing our applications and granting approvals due to reasons, including the lack of human resources or the imposition of new rules, regulations, governmental policies or their implementation and enforcement. If we are unable to obtain, or experience material delays in obtaining, necessary government approvals, our operations may be substantially disrupted, which could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO OUR CONTRACTUAL ARRANGEMENTS

If the PRC government deems that our Contractual Arrangements do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Foreign ownership in entities that provide value-added telecommunications services, is subject to restrictions under PRC laws and regulations, unless certain exceptions are available. As we are a company incorporated in the Cayman Islands and our PRC subsidiaries are considered foreign-invested enterprises, we must conduct operations in China through our Consolidated Affiliated Entities to comply with PRC laws and regulations. Accordingly, we have entered into a series of Contractual Arrangements with Liangzi Data, Beijing Xitui and the Beijing Xitui Shareholders, through which we obtain effective control over the Consolidated Affiliated Entities, receive substantially all of the economic benefits arising from the Consolidated Affiliated Entities and are able to consolidate the financial results of the Consolidated Affiliated Entities in our results of operations. See “Contractual Arrangements” for further details.

In the opinion of our PRC Legal Advisor, (i) ownership structures of our WFOE and our Consolidated Affiliated Entities in China, both currently and immediately after giving effect to the [REDACTED], do not and will not violate any applicable PRC laws and regulations currently in effect; and (ii) the Contractual Arrangements entered into with Liangzi Data, Beijing Quant, Beijing Xitui and the Beijing Xitui Shareholders, governed by PRC laws, currently and immediately after giving effect to this [REDACTED], are valid, binding in accordance with applicable PRC laws and regulations currently in effect, and do not result in any violation of PRC laws or regulations currently in effect. However, our PRC Legal Advisor also advised that the application of current or future PRC laws and regulations could be subject to the regulatory authorities’ evaluation and the relevant regulatory authorities have broad discretion in determining whether a particular contractual structure violates PRC laws and regulations. Therefore, there can be no assurance that the PRC government will not take a view contrary to the opinion of our PRC Legal Advisor. If we are found in violation of any PRC laws or regulations or if the Contractual Arrangements are determined as illegal or invalid by any PRC court, arbitral

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tribunal or regulatory authorities, the relevant governmental authorities would have a broad discretion in dealing with such violation, including but not limited to:

- revoking the business licenses and/or operating licenses of such entities;
- shutting down our servers or blocking our website, or discontinuing or placing restrictions or onerous conditions on our operations through any transactions between the WFOE and our Consolidated Affiliated Entities;
- imposing fines, confiscating the income from the WFOE or our Consolidated Affiliated Entities, or imposing other requirements with which we or our Consolidated Affiliated Entities may not be able to comply;
- requiring us to restructure our ownership structure or operations, including terminating the Contractual Arrangements and deregistering the equity pledge of our Consolidated Affiliated Entities, which in turn would affect our ability to consolidate, derive economic interests from, or exert effective control over our Consolidated Affiliated Entities;
- restricting or prohibiting our [REDACTED] of [REDACTED] to finance our business and operations in China, and taking other regulatory or enforcement actions that could be harmful to our business;
- confiscating any of our income that they deem to be obtained through illegal operations;
- discontinuing or placing restrictions or onerous conditions on our operations;
- imposing additional conditions or requirements with which we may not be able to comply; or
- taking other regulatory or enforcement actions against us that could be harmful to our business.

Any of these above-mentioned actions could cause significant distribution to our business operations and negatively affect our business, financial condition and results of operations. These occurrences could result in our inability to direct the activities of our Consolidated Affiliated Entities and further impact our ability to receive the economic benefits from our Consolidated Affiliated Entities.

We rely on our Contractual Arrangements to exercise control over our business, which may not be as effective as direct ownership in providing operational control.

We have relied and will continue to rely on our Contractual Arrangements entered into with Liangzi Data, Beijing Quant, Beijing Xitui and the Beijing Xitui Shareholders, including the Exclusive Business Cooperation Agreement, to conduct our business in China. See “History, Reorganization, and Corporate structure” and “Contractual Arrangements” for further description of the structure of our Contractual Arrangements. In particular, our ability to control our Consolidated Affiliated Entities depends on the power of attorney under which the shareholder of Liangzi Data, Beijing Xitui, irrevocably appoints the WFOE or its designees as its proxies attorney-in-fact to exercise such shareholders’ rights in Liangzi Data, including, but not limited to, the power to vote on its behalf on all matters of Liangzi Data that require shareholder approval. We believe that the rights granted under the power of attorney may not be as effective as direct equity ownership, and Beijing Xitui may not act in the best interests of our Company or perform their obligations under the Contractual Arrangements when exercising its rights in our Consolidated Affiliated Entities. If the Company owns our Consolidated Affiliated Entities directly, the Company may exercise its rights to effect changes in the board of directors of our Consolidated Affiliated Entities and implement changes at the management and operational level. However, under the Contractual Arrangements, we would rely on the legal remedies under Chinese contract law if Liangzi Data, Beijing Quant, Beijing Xitui or the Beijing Xitui Shareholders, fail to perform under the Contractual Arrangements. These legal remedies may not be as effective as direct ownership.

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We may also incur substantial costs and expend additional resources to enforce the arrangements if Liangzi Data, Beijing Xitui or the Beijing Xitui Shareholders, fail to perform their obligations under the Contractual Arrangements. All disputes arising from the agreements under our Contractual Arrangements will be resolved through arbitration in China and be interpreted and resolved in accordance with PRC laws and legal procedures. We may not be able to enforce our Contractual Arrangements. In addition, there are very few precedents and very little formal guidance for the enforcement and interpretation of contractual arrangements under a VIE structure. Therefore, uncertainties exist regarding the ultimate outcome of such arbitrations. Furthermore, rulings by arbitrators are final under PRC laws. The parties may not appeal the arbitration results in courts and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce these Contractual Arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these Contractual Arrangements, we may not be able to exert effective control over our Consolidated Affiliated Entities, and our ability to conduct our business may be negatively affected.

Our ability to enforce the equity pledge agreement between us and Beijing Xitui, the direct shareholder of Liangzi Data, Consolidated Affiliated Entity, may be subject to limitations based on PRC laws and regulations.

Pursuant to the Equity Pledge Agreement among the WFOE, Beijing Xitui, the Beijing Xitui Shareholders and Liangzi Data, Beijing Xitui, as the direct shareholder of Liangzi Data, agreed to pledge all its respective equity interests in Liangzi Data that it owns including any interest or dividend paid for the shares, to the WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts under the Contractual Arrangements. The equity interest pledge of Beijing Xitui has been registered with the local branch of the SAMR. The Equity Pledge Agreement provides that the pledged equity interest shall constitute continuing security for any and all of the indebtedness, obligations and liabilities under the relevant agreements. However, a PRC court may take the position that the amount listed on the equity pledge registration forms represents the full amount of the collateral that has been registered and perfected. If this is the case, the obligations that are supposed to be secured in the Equity Pledge Agreement in excess of the amount listed on the equity pledge registration forms could be determined by the PRC court as unsecured debt, which typically takes last priority among creditors.

If we exercise the option to acquire equity ownership and assets of Consolidated Affiliated Entities, the ownership transfer may subject us to certain limitations and substantial costs.

As part of the Contractual Arrangements, the WFOE has the exclusive and irrevocable right to require Beijing Xitui, the shareholder of Liangzi Data, our Consolidated Affiliated Entity, to transfer its equity interests held in Liangzi Data at the lowest price permitted by applicable laws, if there is no specific provision in the PRC laws regarding the purchase price, allowed by the relevant PRC laws.

The transfer may be subject to approvals from the fillings with the MOFCOM or its local counterparts. In addition, relevant tax authority may review and/or adjust the transfer price with reference to the market value of our Consolidated Affiliated Entities. Where the PRC laws stipulate the lowest price above the nominal price, or the relevant tax authority refers to market value for the tax ability of Beijing Xitui, Beijing Xitui will pay the remaining amount to the WFOE under the Contractual Arrangements. The amount to be received by the WFOE may also be subject to a significant amount of enterprise income tax, which may have an adverse effect on our financial conditions.

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The ultimate shareholders of our Consolidated Affiliated Entities may have actual or potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

The interests of the Beijing Xitui Shareholders, who are the ultimate shareholders of our Consolidated Affiliated Entities, may differ from the interests of our Company. When conflicts of interest arise, the Beijing Xitui Shareholders may not act in the best interests of our Company and may breach or refuse to renew the Contractual Arrangements with us.

We rely on Beijing Xitui and the Beijing Xitui Shareholders to abide by the Cayman Islands and PRC laws. Although these laws stipulate director fiduciary duties and conflicts of interest clauses, they do not provide guidance on resolving the conflicts in the event of a conflict with another corporate governance regime. If we cannot resolve any conflict of interest or dispute between us and Beijing Xitui and/or the Beijing Xitui Shareholders, we will likely rely on legal proceedings, which could disrupt our business and subject us to substantial uncertainty as to the outcome of such proceedings.

Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and they may determine that we or our Consolidated Affiliated Entities owe additional taxes, which could negatively affect our financial condition and the value of your investment.

Arrangements and transactions among related parties may be subject to audit and challenge by the PRC tax authorities up to ten years after the taxable year when the transactions are conducted. Under the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) amended and effective on December 29, 2018 (the “Enterprise Income Tax Law”), every enterprise in China must submit its annual enterprise income tax return together with a report on transactions with its related parties to the relevant tax authorities. The PRC tax authorities may impose reasonable adjustments on transactions between related parties inconsistent with arm’s length principles. We may face adverse tax consequences if the PRC authorities determine that the Contractual Arrangements among the WFOE, our Consolidated Affiliated Entities and Beijing Xitui were not based on arm’s length negotiations. Such determination may result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust our Consolidated Affiliated Entities’s taxable income in the form of a transfer pricing adjustment, which could result in a reduction of expense deductions recorded by our Consolidated Affiliated Entities for PRC tax purposes. In addition, PRC tax authorities may form a view that our Consolidated Affiliated Entities have improperly minimized their tax obligations and may not be able to rectify such incident within the timeframe required by PRC tax authorities. Furthermore, if the PRC tax authorities deem the transfer of equity interest between Beijing Xitui and the WFOE at nominal or no value as a gift, the WFOE may be subject to PRC income tax. Finally, the PRC tax authorities may impose late payment fees and other penalties on our Consolidated Affiliated Entities for the adjusted but unpaid taxes according to the applicable regulations. If our Consolidated Affiliated Entities’ tax liabilities increase or if it is required to pay late payment fees and other penalties, our financial position could be materially and adversely affected.

We may lose the ability to use and benefit from assets held by our Consolidated Affiliated Entities that are material to the operation of our business if the entities go bankrupt or become subject to a dissolution or liquidation proceeding.

As our Consolidated Affiliated Entities hold certain assets that are material to our business, if our Consolidated Affiliated Entities go bankrupt and all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. Under the Contractual Arrangements, our Consolidated Affiliated Entities may not sell, transfer, mortgage or otherwise dispose of their assets or legal or beneficial interests without prior consent from us. If our Consolidated Affiliated Entities undergo a voluntary

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or involuntary liquidation proceeding, unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

We do not have any insurance which covers the risks relating to the Contractual Arrangements and the transactions contemplated thereunder.

Our insurance does not cover the risks relating to the Contractual Arrangements and the transactions contemplated thereunder and our Company has no intention to purchase any insurance in this regard. If any risk arises from the Contractual Arrangements in the future, such as those affecting the enforceability of the Contractual Arrangements and the operation of Beijing Xitui, the financial results and financial position of our Group may be adversely affected.

There may be a potential impact to our Company if our Contractual Arrangements are not treated as domestic investment.

If the operation of our businesses conducted through our Consolidated Affiliated Entities is subject to any restrictions pursuant to the Negative List, or any successor regulations, and the Contractual Arrangements are not treated as domestic investment, the Contractual Arrangements may be regarded as invalid and illegal. If this were to occur, we would not be able to operate the relevant businesses through the Contractual Arrangements and would lose our rights to receive the economic benefits of our Consolidated Affiliated Entities. As a result, we would no longer be able to consolidate the financial results of the Consolidated Affiliated Entities into our financial results and we would have to derecognize their assets and liabilities according to the relevant accounting standards. If we do not receive any compensation, we would recognize an investment loss as a result of such de-recognition.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] market for [REDACTED] and the liquidity and [REDACTED] of [REDACTED] may be volatile.

Prior to the completion of the [REDACTED], there has been no [REDACTED] market for our Shares. There can be no assurance that an active trading market for our Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED], a result of the negotiation among the Company and the [REDACTED] (for themselves and on behalf of the [REDACTED]), may not be indicative of [REDACTED] for [REDACTED] after the completion of the [REDACTED]. The market price may fluctuate at any time after the completion.

In addition, our Controlling Shareholders [and the [REDACTED]] are subject to six-month lock-up agreements and will be restricted from selling their Shares during the lock-up period, which further limit the liquidity in the market for our Shares. This could affect the [REDACTED] at which Shareholders are able to sell their Shares. See “History, Reorganization and Corporate Structure — Public [REDACTED] and Free [REDACTED]” for further details.

The liquidity, trading volume and trading price of [REDACTED] may be volatile, which could result in substantial losses to you.

The trading price of [REDACTED] may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong SAR, China, the United States and elsewhere in the world. In particular, the volatility of the price of, and trading volumes for, [REDACTED]

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may be affected by the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong SAR. Some PRC-based companies listed in Hong Kong SAR have experienced significant volatility, including significant price declines after their offerings. As the trading performances of the securities of these companies at the time of, or after, their offerings may affect the overall investor sentiment towards PRC-based companies listed in Hong Kong SAR, [REDACTED] and performance may be impacted, regardless of our actual operating performance.

You will incur immediate dilution and may experience further dilution in the future.

Purchasers of our Shares in the [REDACTED] will experience an immediate dilution as the [REDACTED] of Shares is higher than the net tangible book value per share of our Shares immediately prior to the [REDACTED]. In addition, if we issue additional Shares in the future, purchasers of our Shares in the [REDACTED] may experience further dilution in their shareholding percentage.

We cannot assure you that we will declare and distribute any amount of dividends in the future and you may have to rely on [REDACTED] of [REDACTED] for return on your [REDACTED].

As we intended to retain most, if not all, of our funds and future earnings to fund the growth of our business, we have not adopted a dividend policy with respect to our future dividend. Therefore, you should not rely on [REDACTED] in [REDACTED] as the source of your future dividend income.

Subject to certain restrictions under the Cayman Islands law, our Board has the discretion to determine whether to distribute dividend. Namely, our Company may only pay dividends either out of profits or share premium account and provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts at their fall due in the ordinary course of business. In addition, although our Shareholders may declare a dividend by ordinary resolution, the dividend amount may not exceed the amount recommended by our Board. Furthermore, the timing, amount and form of future dividends are subject to the limitation of our future financial results. Accordingly, your [REDACTED] in [REDACTED] will depend entirely upon any future price appreciation and there is no assurance as to the return of your [REDACTED].

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, senior management or our Controlling Shareholders, could adversely affect the [REDACTED] of [REDACTED].

Future sales of a substantial number of our Shares, especially by our Directors, senior management or our Controlling Shareholders or the perception or anticipation of such sales, could negatively impact the [REDACTED] of [REDACTED] and our ability to raise equity capital in the future at a time and price that we deem appropriate. While we are currently not aware of any intention of such persons to dispose of significant amounts of their Shares, we cannot assure you that they will not dispose of any Shares they may own now or in the future.

We cannot assure you of the accuracy or completeness of certain facts, forecasts and other statistics obtained from official government publications contained in this document.

This document, particularly the sections headed “Business” and “Industry Overview,” contains information and statistics relating to online marketplaces for consumption market. Such information and statistics have been derived from a third-party report commissioned by us and publicly available sources such as official government publications and other publicly available publications. The information from official government sources has not been independently verified by us, the Joint Sponsors, [REDACTED] or any other party involved in the

RISK FACTORS

[REDACTED], and no representation is given as to its accuracy. As collection methods of such information may be flawed or there may be discrepancies between published information and market practice, the statistics in this document may be inaccurate. Furthermore, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. Therefore, you should not place undue reliance on such information.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this document, there has been press and media coverage regarding us and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document. The coverage may include certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. In addition, we make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. We disclaim responsibility for any such information to the extent that it is inconsistent or conflicts with the information contained in this document and you should not rely on such information.

We have significant discretion as to how we will use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the [REDACTED] from the [REDACTED] in ways you may not agree with or that do not yield a favorable return to our Shareholders and our management have discretion as to the actual application of our [REDACTED]. We plan to use the [REDACTED] from the [REDACTED] to enhance our search and development capabilities, build and expand our proprietary local consumption apps, make investment and acquisition and sustain our general business activities. See “Future Plans and [REDACTED]” for further details. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the [REDACTED] from this [REDACTED].

We are a Cayman Islands company and you may face difficulties in protecting your interests under the laws of the Cayman Islands.

Our operation and corporate affairs are governed by our Memorandum and Articles and the Companies Act and common law of the Cayman Islands. The Shareholders’ right to take action against our Directors are governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority Shareholders differ in some respects from those in other jurisdictions.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with certain provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG SAR

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong SAR. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong SAR. Since we have our principal operations in the PRC, our executive Directors have been and will continue to participate in day-to-day management of our Company in the PRC.

Accordingly, we have applied to the Stock Exchange for, and [the Stock Exchange has granted] a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and us:

- (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Dr. Zhou, our executive Director, and Ms. CHU Cheuk Ting (“**Ms. Chu**”), our joint company secretary;
- (b) each of the authorized representatives will have all necessary means to contact all the Directors promptly at all times, as and when the Stock Exchange wishes to contact the Directors on any matters;
- (c) all the Directors who are not ordinarily resident in Hong Kong SAR have or can apply for valid travel documents to visit Hong Kong SAR for business purposes and would be able to meet with the Stock Exchange upon reasonable notice;
- (d) our Company will retain a Hong Kong SAR legal advisor to advise on matters relating to the application of the Listing Rules and other applicable Hong Kong SAR laws and regulations after [REDACTED];
- (e) Rainbow Capital (HK) Limited, our compliance advisor, will act as an additional channel of communication with the Stock Exchange; and
- (f) each Director will provide his or her phone numbers and e-mail address to the Stock Exchange.

CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, the contractual arrangements which would constitute continuing connected transactions of our Company under the Listing Rules following the completion of the [REDACTED]. We have applied to the Stock Exchange for, and the [Stock Exchange has granted] waivers from strict compliance with (where applicable) the announcement, circular and independent shareholders’ approval requirements set out in Chapter 14A of the Listing Rules for such continuing connected transaction. See “Connected Transactions” for details of such continuing connected transactions.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

<u>Name</u>	<u>Residential address</u>	<u>Nationality</u>
<i>Executive Directors</i>		
ZHOU Hao (周灝)	Room 10 Building 25, South Zone Garden 9 Sunhexi Road Chaoyang District Beijing, China	Chinese
LI Yan (李岩)	Room 101, Unit 4 Building 13 Changqing Community Zone 3 Beijing, China	Chinese
SONG Yang (宋揚)	No. 208 Building 133, Jiangfujiayuan North Lane Chaoyang District Beijing, China	Chinese
ZHOU Qiang (周強)	No. 202 Unit 2, Building 39 CuiJingBeiLi Liyuan Town Tongzhou District Beijing, China	Chinese
<i>Non-executive Directors</i>		
ZHANG Yi (張毅)	Room 301, Unit 3 Building 1, No. 2 Courtyard Shunwutiao, Fengtai District Beijing, China	Chinese
LIU Fangwei (劉方未)	No. 90 West Sanhuan Zhong Road Fengtai District Beijing, China	Chinese
<i>Independent Non-executive Directors</i>		
SUN Junchen (孫俊辰)	No. 1 Building 15, No. 5 Courtyard Jiangtai Road Chaoyang District Beijing, China	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

<u>Name</u>	<u>Residential address</u>	<u>Nationality</u>
CAO Jie (曹杰)	Flat SC, 41/F Block 2 Festival City Phase 3 Tai Wai, New Territories Hong Kong	Chinese
GUO Yongfang (郭永芳)	Room 602 Building 3 Zhujiang Luomajiayuan Chaoyang District Beijing, China	Chinese

See “Directors and Senior Management” in this document for further details.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors	China International Capital Corporation Hong Kong Securities Limited 29/F, One International Finance Centre 1 Harbor View Street Central Hong Kong SAR CITIC Securities (Hong Kong) Limited 18/F, One Pacific Place 88 Queensway Hong Kong SAR

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Financial Advisor **Fosun International Capital Limited**
Suite 2101-2105, 21/F, Champion Tower
3 Garden Road
Central
Hong Kong SAR

Legal Advisors to Our Company *As to Hong Kong SAR law:*
Jia Yuan Law Office
Suites 3502-3503
35/F
One Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:
Grandway Law Offices
7/F, Beijing News Plaza
No. 26 Jianguomennei Dajie
Beijing, China

As to Cayman Islands law:
Harney Westwood & Riegels
3501, The Centre
99 Queen’s Road Central
Hong Kong SAR

Legal advisors to the *As to Hong Kong SAR law:*
[REDACTED] **Norton Rose Fulbright Hong Kong**
38/F Jardine House
1 Connaught Place, Central
Hong Kong SAR

As to PRC law:
Commerce & Finance Law Offices
12-14/F, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing, China

Reporting Accountants **KPMG**
Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central
Hong Kong SAR

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Industry Consultant	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. 2504 Wheelock Square 1717 Nanjing West Road Shanghai, China
Compliance Advisor	Rainbow Capital (HK) Limited Room 5B, 12/F Tung Ning Building No. 2 Hillier Street Sheung Wan Hong Kong SAR
Receiving Banks	[●]

CORPORATE INFORMATION

Registered office in Cayman Islands	Harneys Fiduciary (Cayman) Limited 4th Floor, Harbour Place 103 South Church Street P.O. Box 10240 Grand Cayman KY1-1002 Cayman Islands
Principal place of business and head office in the PRC	Office B711, 7th Floor, No. 19 Zhongguancun Street Haidian District Beijing, China
Principal place of business in Hong Kong	31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong SAR
Company’s Website	www.quantgroup.com <i>(The information on the Company’s website does not form part of this document)</i>
Joint Company Secretary	Ms. YU Shanling (于善玲) Room 501 5th Floor, Building 11 No. 30 Courtyard Fourth Ring South Road West Fengtai District Beijing, China Ms. CHU Cheuk Ting (朱卓婷) (ACG, ACS) 31/F., Tower Two Times Square 1 Matheson Street Causeway Bay, Hong Kong SAR
Authorized Representatives	Dr. ZHOU Hao (周灝) Room 10 Building 25, South Zone Garden 9 Sunhexi Road Chaoyang District Beijing, China Ms. CHU Cheuk Ting (朱卓婷) (ACG, ACS) 31/F., Tower Two Times Square 1 Matheson Street Causeway Bay, Hong Kong SAR
Audit Committee	Mr. SUN Junchen (孫俊辰) (Chairman) Mr. CAO Jie (曹杰) Ms. GUO Yongfang (郭永芳)

CORPORATE INFORMATION

Remuneration Committee Ms. GUO Yongfang (郭永芳) (Chairwoman)

Mr. LI Yan (李岩)

Mr. SUN Junchen (孫俊辰)

Nomination Committee Dr. ZHOU Hao (周灝) (Chairman)

Mr. SUN Junchen (孫俊辰)

Ms. GUO Yongfang (郭永芳)

Cayman Islands Principal Share Registrar and Transfer Agent **Harneys Fiduciary (Cayman) Limited**

4th Floor
Harbour Place
103 South Church Street
PO Box 10240
Grand Cayman
KYI-1002
Cayman Islands

[REDACTED]

Principal Banks **China Merchants Bank (Haidian Huangzhuang Branch)**

No. 6 Danling Street
Haidian District
Beijing, China

Ping An Bank (Beijing Deshengmen Branch)

No. 81 Ande Road
Xicheng District
Beijing, China

Ping An Bank (Haidian Branch)

Science and Technology Development Building
No. 32A Zhongguancun South Street
Haidian District
Beijing, China

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Joint Sponsors, [REDACTED], [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

SOURCES OF INFORMATION

We have commissioned Frost & Sullivan, an Independent Third Party, to conduct a study of, and to produce a report on, the market of online marketplace for consumption in China. Frost & Sullivan is an independent global consulting firm founded in 1961 and offers industry research, market strategies and provides growth consulting and corporate training on a variety of industries. We agreed to pay Frost & Sullivan a fee of RMB2,910,000 for the preparation of the Frost & Sullivan Report, and our Directors consider that such fee reflects market rates. We have extracted certain information from the Frost & Sullivan Report in this section and elsewhere in this document to provide our potential [REDACTED] with a more comprehensive presentation of the industry in which we operate.

During the preparation of the Frost & Sullivan Report, Frost & Sullivan performed both primary and secondary research, and obtained knowledge, statistics, information, and industry insights on industry trends of the target research markets. Primary research involved interviewing industry insiders such as leading market players, suppliers, customers, and recognized third-party industry associations. Secondary research involved reviewing corporate annual reports, government authorities, and Frost & Sullivan in-house research database. Frost & Sullivan has independently verified the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan’s research may be affected by the accuracy of assumptions used and the choice of primary and secondary sources.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan has adopted the following assumptions: (i) China’s economy is likely to maintain steady growth from 2025 to 2029; (ii) China’s social, economic, and political environment is likely to remain stable in the forecast period; (iii) governmental policies on the market of online marketplace for consumption in China discussed in the report will remain consistent during the forecast period; (iv) the market of online marketplace for consumption in China will be driven by the factors which are stated in the report.

Except as otherwise noted, all the data and forecast in this section are derived from the Frost & Sullivan Report. Our Directors confirm that, after taking reasonable care, there is no adverse change in the market information since the date of the Frost & Sullivan Report, which may materially qualify, contradict or have an adverse impact on the information as disclosed in this section.

OVERVIEW OF MACRO ECONOMY IN CHINA

GDP and Tertiary Industry Growth

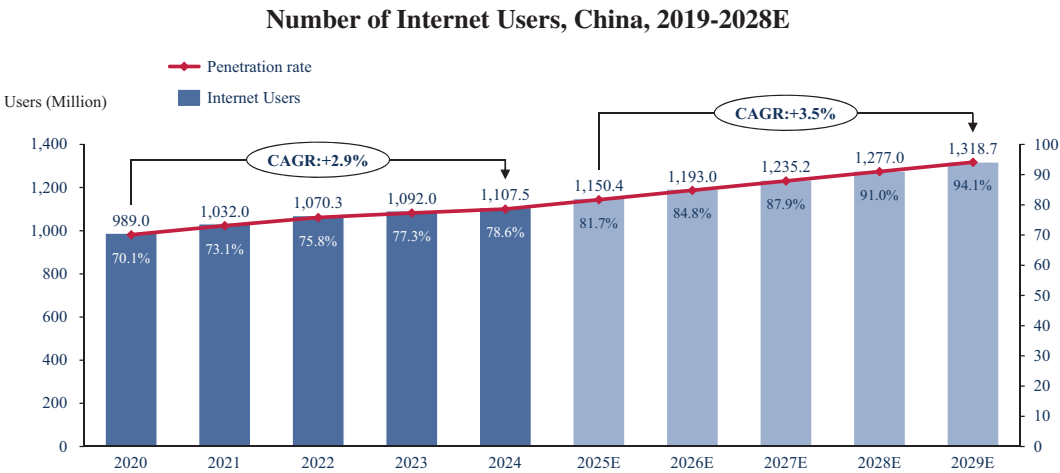
In recent years, China’s macro economy has experienced substantial growth, which is reflected by the increase of China’s nominal GDP from RMB101.6 trillion in 2020 to RMB131.5 trillion in 2024, representing a CAGR of 6.7% from 2020 to 2024, and it is expected to increase further to RMB174.3 trillion in 2029,

INDUSTRY OVERVIEW

representing a CAGR of 5.6% from 2025 to 2029. With the growth of China’s macroeconomy and the development of the tertiary industry, which refers to the service industry comprising of sub-industries such as wholesale and retail, accommodation and catering, financial services, real estate, transport, post and telecommunication services, computer services and software, education, culture, sports and entertainment, etc., China’s value-added of tertiary industry, or the growth value of the tertiary industry in a given annual cycle compared with the last liquidation cycle, has increased from RMB55.4 trillion in 2020 to RMB76.6 trillion in 2024, representing a CAGR of 8.4%. China’s value-added of tertiary industry is expected to reach RMB106.7 trillion in 2029, representing a CAGR of 6.7% from 2025 to 2029.

Number of Internet and Mobile Internet Users

Driven by the growth of China’s economy and the continuous improvement of relevant network infrastructure, increasingly more people have access to the Internet in China. The number of Internet users has increased from 989.0 million in 2020 to 1,107.5 million in 2024, representing a CAGR of 2.9% from 2020 to 2024. The penetration rate of Internet users has risen from 70.1% in 2020 to 78.6% in 2024 and is expected to reach 94.1% in 2029.



Source: Frost & Sullivan

Recently, as mobile devices have been prevailing among all generations in China, the usage of mobile Internet has increased significantly. The number of mobile Internet users has increased from 985.8 million in 2020 to nearly 1,106.2 million in 2024, representing a CAGR of 2.9% from 2020 to 2024. The penetration rate of mobile Internet users has increased from 69.8% in 2020 to 78.5% in 2024. With continuous improvement in mobile Internet features and applications, the penetration rate of mobile users is expected to further increase to 94.0% in 2029.

Disposable Income and Disposable Expenditures

With rapid economic growth and urbanization, both average household income level and consumption expenditure have risen in recent years. The per capita annual disposable income has increased from RMB32.2 thousand in 2020 to RMB41.3 thousand in 2024, representing a CAGR of 6.4% from 2020 to 2024, and is expected to increase to RMB55.1 thousand in 2029, representing a CAGR of 5.8% from 2025 to 2029. In addition, the per capita annual consumption expenditure has grown from RMB21.2 thousand in 2020 to RMB28.2 thousand in 2024 at a CAGR of 7.4% and is expected to increase to RMB38.6 thousand in 2029, representing a CAGR of 6.3% from 2025 to 2029, demonstrating a positive trend in residents’ purchasing power. Metropolitan area and urban agglomeration have become important engines of development for China’s macro economy. While

INDUSTRY OVERVIEW

the urbanization rate in China has reached a relatively high percentage of 66.9% in 2024, it is expected to maintain a steady growth from 2025 to 2029. By 2029, the urbanization rate is expected to reach 71.7%, leading to a potential increase in consumption demand in the future.

Market Size of Digital Marketing

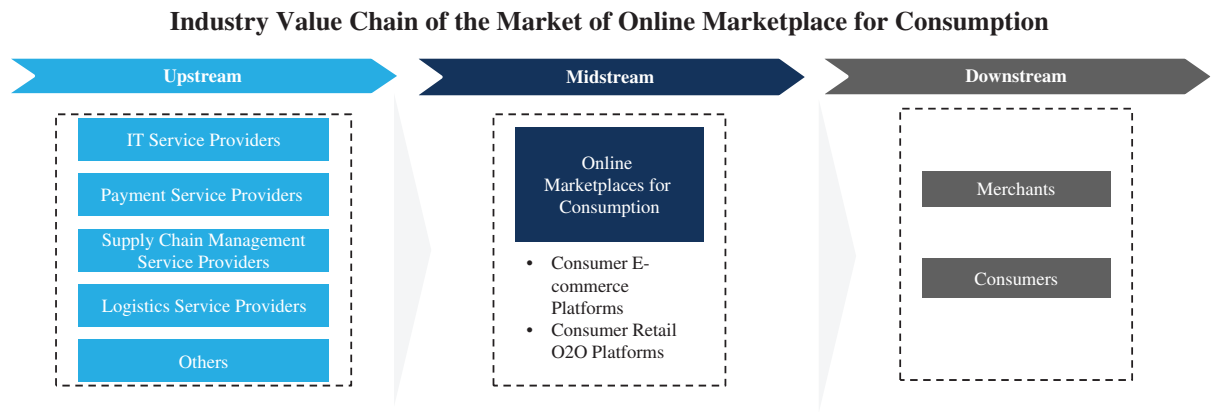
In line with the rise in disposable income, the expenditure in digital marketing has been steadily increasing. As a result of the retail market’s expansion and the merchants’ increasing demand for digital marketing, the need for effective online marketing channels has increased. The market size of China’s digital marketing industry has increased from RMB750.5 billion in 2020 to RMB1,208.9 billion in 2024, representing a CAGR of 12.7% from 2020 to 2024. As a result of positive economic development and increased innovations in digital marketing solutions, the market size of digital marketing industry is expected to further increase to RMB2,054.9 billion in 2029, representing a CAGR of 11.6% from 2025 to 2029, which reflects the significant market opportunities for digital marketing solution providers.

MARKET ANALYSIS OF ONLINE MARKETPLACE FOR CONSUMPTION IN CHINA

Definition and Value Chain Analysis of the Market of Online Marketplace for Consumption

Online marketplaces for consumption refer to online platforms that provide matching services between goods and end consumers in consumption-related industries, including e-commerce and online to offline merchandise purchase.

Upstream participants in the value chain of the market of online marketplace for consumption mainly consist of IT service providers, payment service providers, supply chain management service providers, logistics service providers, and others. Online marketplaces for consumption locate in the midstream of the industry, and can be mainly categorized into consumer E-commerce platforms and consumer retail O2O platforms. Consumer E-commerce platforms refer to online marketplaces that provide consumers with goods transactions, with core functionalities including product display, online payment, order processing, and logistics delivery. And consumer retail O2O platforms refer to online marketplaces that integrate online channels with offline store visits, converting online traffic into offline merchandise purchase. The former ones focus on online transactions, while the latter ones bridge online engagement with offline experiences. Downstream participants of the industry mainly include merchants and consumers.



Source: Frost & Sullivan

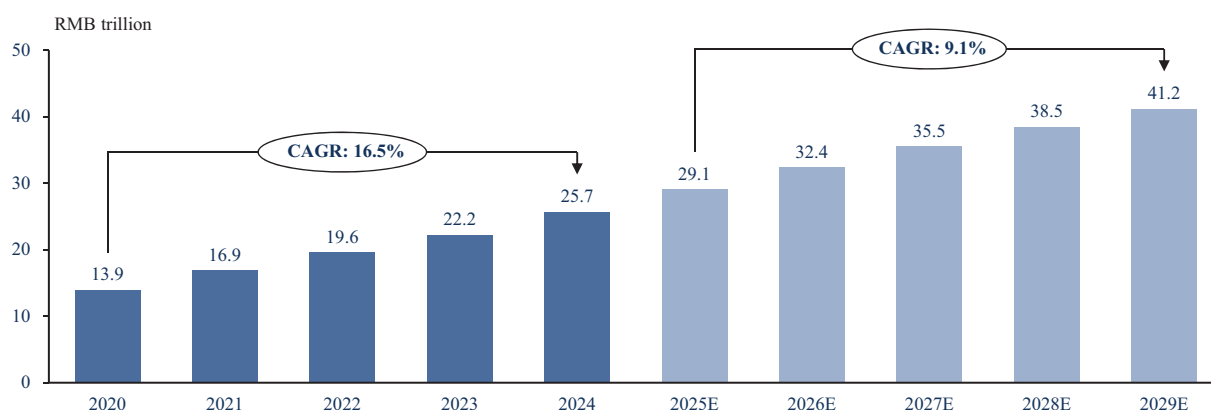
Market Size of Online Marketplace for Consumption in China

In terms of GMV, the market size of online marketplace for consumption in China increased from RMB 13.9 trillion in 2020 to RMB 25.7 trillion in 2024, with a CAGR of 16.5% during the period. The rapid

INDUSTRY OVERVIEW

growth was mainly contributed from the development of innovative technology including big data, cloud computing, and AI, the increasing diversification of consumer demands, as well as the favorable policy environment. In the forecast period, driven by the deeper application of emerging technologies in the industry, the market size of online marketplace for consumption in China is expected to further grow from RMB 29.1 trillion in 2025 to RMB 41.2 trillion in 2029, with a CAGR of 9.1%. The share of China’s market of online marketplace for consumption as in China’s total retail market reached 36.9% in 2024, and such a share is expected to further increase in the forecast period.

**Market Size of Online Marketplace for Consumption
(by GMV)*, China, 2020-2029E***



* Market size of online marketplace for consumption includes GMV generated from e-commerce and online to offline merchandise purchase

Source: Frost & Sullivan

Key Growth Drivers of the Market of Online Marketplace for Consumption in China

- Technological Advancement and Digital Infrastructure Development.** The comprehensive coverage of 5G networks has enhanced data transmission efficiency, enabling high-bandwidth applications including 4K live streaming and VR shopping. Artificial intelligence has deeply penetrated the entire consumption process, from intelligent customer service to personalized recommendation systems, with algorithms achieving high-precision matching based on user profiles. Blockchain technology applications in product traceability and payment security have established more trustworthy transaction environments. And cloud computing infrastructure improvements ensure stable platform operations during peak periods. These technological innovations have not only optimized user experience but also restructured the matching efficiency of participants, goods, and scenarios, providing fundamental support for expansion of the market of online marketplace for consumption.
- Increasing Diversification of Consumer Demands.** Consumer demand has evolved from purely functional satisfaction to a comprehensive pursuit of quality, personalization, and experiential engagement. On the one hand, personalized needs have become increasingly prominent, with consumers seeking unique products to express their identity and aesthetic preferences. On the other hand, experiential consumption is rapidly growing in importance, as the emotional value and psychological fulfillment derived from the shopping process itself gain greater significance. To meet these evolving demands, leading online marketplaces have introduced various innovative initiatives, including brand-exclusive zones and limited-edition collaborative products, thereby forging stronger connections between consumer needs and goods.

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- ***Favorable Policy Environment.*** Supportive policies also promote the development of the market of online marketplace for consumption in China. For instance, the State Administration for Market Regulation issued “Opinions on Guiding Online Trading Platforms to Play an Active Role in Traffic and Support the Development of Small, Medium and Micro Business Entities” in 2024, which encourages platforms to enhance the supply of specialty products and services, including cultural-tourism goods, handicrafts and local specialties, by establishing dedicated channels and organizing featured sales events based on market trends and consumer demands. Furthermore, other supportive policies have also significantly contributed to the growth of the market of online marketplace for consumption in China.

Development Trends of the Market of Online Marketplace for Consumption in China

- ***Deeper Application of AI Technology.*** The market of China’s online marketplace for consumption is undergoing intelligent transformation, with AI technology being deeply integrated throughout business operations. Big data-powered recommendation systems have significantly enhanced product matching accuracy, leading to higher conversion rates. And in customer retention, predictive AI marketing proactively identifies at-risk users and implements personalized retention strategies, substantially improving user stickiness. This evolution reflects the market’s shift from traffic competition to retention-focused strategies.
- ***Accelerated Expansion to Lower-tier Cities.*** As infrastructure continues to improve and consumption habits evolve in the market of online marketplace for consumption in China’s lower-tier cities, these emerging markets demonstrate robust growth potential. Online marketplaces are adjusting their strategies by optimizing supply chains and implementing localized operations to better serve these regions. For instance, lower-tier cities exhibit distinct consumption characteristics compared to first-tier markets, with greater emphasis on cost-effectiveness and higher responsiveness to social-driven marketing and influencer recommendations. Meanwhile, rising demand for quality products and services reflects the ongoing consumption upgrade in these areas. Major marketplaces are adopting differentiated operational approaches to cater to the diverse needs of consumers across city tiers.

COMPETITIVE ANALYSIS OF THE MARKET OF ONLINE MARKETPLACE FOR CONSUMPTION IN CHINA

Competitive Landscape of the Market of Online Marketplace for Consumption in China

- The competitive landscape of the online marketplace for consumption market in China is characterized by a high level of market concentration. Leading companies in the online marketplace for consumption market benefit from strong brand equity, established user bases, and mature ecosystems. These leading platforms possess significant advantages in technology, logistics, and merchant networks. Intense competition among top platforms drives continuous innovation, while economies of scale further reinforce their market positions.

INDUSTRY OVERVIEW

Ranking of Online Marketplaces for Consumption in China

- In 2024, Company A was the largest online marketplace for consumption with RMB 8.0 trillion GMV in 2024, capturing a market share of 31.3%. Following closely behind were Company B with a GMV of RMB 4.8 trillion, Company C with RMB 3.8 trillion, Company D with RMB 3.0 trillion, and Company E with RMB 1.4 trillion in 2024. In 2024, the Company’s GMV accounted for approximately 0.03% of the total GMV in the market of online marketplace for consumption in China.

Top 5 Online Marketplaces for Consumption (by GMV), China, 2024

Rank	Company	GMV (RMB Trillion)	Market Share
1	Company A	8.0	31.3%
2	Company B	4.8	18.6%
3	Company C	3.8	14.9%
4	Company D	3.0	11.8%
5	Company E	1.4	5.4%
	Others	4.7	18.0%
	Total	25.7	100.0%

Source: Frost & Sullivan, company annual reports

Ranking of Online Marketplaces for Consumption in China

- Company A, a company listed on the New York and the Hong Kong Stock Exchange, was established in 1999 in Hangzhou, China, and is a global trade platform provided e-commerce service.
- Company B, a company listed on the Nasdaq Stock Exchange, was established in 2015 in Shanghai, China, and is a newly social commerce player advanced in C2M trade mode.
- Company C, a company listed on the Nasdaq Stock Exchange and the Hong Kong Stock Exchange, was established in 1998 in Beijing, China, and is a technology and services enterprise with supply chain at its core.
- Company D was established in 2012 and is a private company in Beijing, China, and is a social video-driven shopping platform.
- Company E, a company listed on the Hong Kong Stock Exchange, was established in 2011 in Beijing, China, and is a tech-driven retail innovator that leverages short-video and live-streaming ecosystems.

Entry Barriers of the Market of Online Marketplace for Consumption

- Technology Barrier.** Establishing a competitive online marketplace for consumption typically requires substantial investment in technological infrastructure. This includes developing a stable and user-friendly platform, ensuring data privacy and transaction security, and enabling seamless integration with payment systems and logistics providers. In addition, continuous maintenance and updates are necessary to meet evolving user expectations and industry standards. These technological demands may present challenges for new entrants, particularly those lacking the necessary technical expertise or capital resources.

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- ***Track Record and Experience Barrier.*** In the online marketplace for consumption, credibility and user trust are often built over time through consistent service quality, reliable transaction handling, and positive customer experiences. Established players may benefit from accumulated operational know-how, brand recognition, and historical performance data, which can contribute to user retention and platform growth. New entrants typically need time and resources to build similar levels of trust and market presence. The absence of a track record may limit a new platform’s ability to attract vendors, users, and partners in the early stages of development.
- ***Regulation Barrier.*** China’s online marketplace sector is governed by strict regulations covering areas such as consumer protection, data privacy, fair competition, and taxation. Regulatory compliance requires businesses to establish sound internal systems and keep pace with evolving policy standards. For new entrants, unfamiliarity with these legal requirements may lead to operational delays and added compliance costs.
- ***Talent Barrier.*** The development and operation of a successful online marketplace require talent in areas such as software engineering, user experience design, data analytics, and platform operations. Established companies often have greater access to experienced teams due to their brand, stability, and compensation capabilities. For new entrants, recruiting and retaining qualified personnel can be a challenge, especially during the early development phase.

REGULATORY OVERVIEW

This section sets out a summary of the most important laws and regulations that have impact on our business in China and the industries in which we operate.

I. REGULATIONS ON CORPORATION AND FOREIGN INVESTMENT

The Company Law

The establishment, operation, management of the corporate entity in China is governed by the Company Law of the People’s Republic of China (《中華人民共和國公司法》) which was promulgated on December 29, 1993 by the Standing Committee, and subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The Company Law of the People’s Republic of China generally governs limited liability companies and joint stock limited companies, both of which have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed.

Regulations on Foreign Investment

On March 15, 2019, the Foreign Investment Law which replaces entirely the former foreign investment related laws including the Law of the People’s Republic of China on Chinese-Foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), the Law of the People’s Republic of China on Chinese-Foreign Contractual Joint Ventures (《中華人民共和國中外合作經營企業法》) and the Law of the People’s Republic of China on Wholly Foreign-Owned Enterprises (《中華人民共和國外資企業法》), together with the relevant complementary regulations. The Negative List which was newly promulgated by the NDRC and MOFCOM on December 27, 2021 and the Catalogue of Industries for Encouraging Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》) (the “**Encouraging Catalogue**”), which was promulgated by the NDRC and the MOFCOM on October 26, 2022, replace the previous negative list and Encouraging Catalogue and list the categories of encouraged, restricted, and prohibited industries.

Pursuant to the Provisions on Guiding the Orientation of Foreign Investment (《指導外商投資方向規定》), promulgated on February 11, 2002 by the State Council and became effective on April 1, 2002, foreign-funded projects fall into 4 categories, namely encouraged, permitted, restricted and prohibited ones. And the foreign-funded projects that don’t fall into the categories of encouraged, restricted or prohibited projects shall be the permitted foreign-funded projects. The permitted foreign-funded projects shall not be listed in the Catalog for the Guidance of Foreign Investment Industries (2002) (《外商投資產業指導目錄(2002)》) (now replaced by Encouraging Catalogue). The Foreign Investment Law, along with the Encouraging Catalogue and the Negative List form the framework for foreign investment in China, which classify the business into 4 categories, namely “encouraged”, “permitted”, “restricted” and “prohibited” ones. Unless otherwise restricted by other the PRC laws, the industries that don’t fall into the Encouraging Catalogue and Negative List are deemed as falling into the “permitted” category.

Pursuant to the Negative List, the value-added telecommunications services (except for e-commerce, domestic multi-party communication, store-and-forward, and call center) fall into the “restricted” category.

II. REGULATIONS RELATED TO OPERATIONS

Regulations on Value-added Telecommunications Services

The Provisions on the Administration of Foreign-funded Telecommunications Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council on December 11, 2001 and subsequently amended on September 10, 2008, February 6, 2016 and March 29, 2022, and effective on May 1, 2022, stipulates specifically

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the capitalization, investor qualifications and application procedures in connection with the establishment of a foreign-funded telecommunications enterprise. These provisions prohibit a foreign entity from owning more than 50% of the total equity interest in any value-added telecommunications service business in China and require foreign-funded telecommunications enterprises to obtain a basic telecommunications business license in the country or region where it is registered. However, specifically, the Negative List allows foreign investors to hold more than 50% equity interests in a value-added telecommunications service operator engaging in e-commerce, domestic multi-party communication, storage-and-forward and call center businesses.

According to the Circular on Intensifying the Administration of Foreign Investment in Value-added Telecommunications Services (《關於加強外商投資經營增值電信業務管理的通知》), promulgated by the Ministry of Information Industry, the predecessor of MIIT, on July 13, 2006, where a foreign investor makes investment in the telecommunications services within the Chinese territory, it shall apply for a license for Telecommunications Services. In the absence of going through the aforesaid procedures according to law, a foreign investor shall not make any investment in the Telecommunications Services in China. Those applying for the operation of value-added Telecommunications Services shall have the necessary venues and facilities, and shall, as required, improve network and information security measures, formulate corresponding information security management systems, set up emergency procedures for network and information security and implement information security responsibilities. Further, the domain names and registered trademarks used by an operating company providing value-added telecommunications services must be legally owned by that company or its shareholders. If a value-added license holder fails to comply with the requirements and fails to remedy such non-compliance within a specified period of time, the MIIT or its local counterparts have the discretion to take administrative measures against the license holder, including revoking its VAT License.

The Telecommunication Regulation of the People’s Republic of China (《中華人民共和國電信條例》) (the “**Telecommunication Regulation**”) promulgated by the State Council on September 25, 2000, and amended and became effective on July 29, 2014 and February 6, 2016, and the relevant regulations, including the Classified Catalogue of Telecommunications Services (《電信業務分類目錄》) last amended on June 6, 2019 by the MIIT, specifies overall provisions on the conduct of engaging in telecommunications services in mainland China. Telecommunications services consist of basic telecommunications services or value-added telecommunications services, in which online data processing, transaction service and information service are value-added Telecommunications Services. Pursuant to the Telecommunication Regulation, those operating value-added telecommunications services with business covering an area across two or more provinces, autonomous regions and, or municipalities directly under the central government must be reviewed and approved by the competent department of information industry under the State Council, and shall obtain a Cross-regional Value-added Telecommunications Service Operating Permit. Those operating value-added telecommunications services covering an area within one province, autonomous region or municipality directly under the central government, must be reviewed and approved by the telecommunications administration authorities of the province, autonomous region or municipality directly under the central government, and shall obtain an ICP License. The Measures for the Administration of Permits for Operation of Telecommunication Business (《電信業務經營許可管理辦法》) amended in 2017 and took effect on September 1, 2017 by the MIIT which set forth further specific provisions regarding the types of Licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining such Licenses and the administration and supervision of such Licenses.

Pursuant to the Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》) which was promulgated by the State Council on September 25, 2000 and amended on January 8, 2011, “Internet information services” refer to the service activities of providing information to online users through the Internet, which can be divided into “profitable Internet information service” and “non-profitable Internet information service.” Profitable Internet information service providers shall obtain the ICP License from the telecommunications administration

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authorities. The Measures for the Administration of Telecommunications Business Licensing (2017 Revision) (《電信業務經營許可管理辦法(2017)》), which was promulgated by the MIIT on March 1, 2009 and amended on July 3, 2017 and became effective on September 1, 2017, provides more detailed provisions regarding the types of licenses required for operating basic telecommunications services and value-added telecommunications services, and the qualifications and procedures for obtaining relevant licenses and the administration and supervision of relevant licenses. According to the above provisions, telecommunications services operators holding an ICP License shall submit data such as business operation and service quality to the license-issuing authorities in the first quarter of each year. The effective period of an ICP License is 5 years, and can be renewed within 90 days before expiry.

On January 8, 2021, the CAC proposed the “Administrative Measures for Internet Information Services” (Revised Consultation Paper) for public comments. The main contents of the revised Consultation Paper include (i) expand the scope of “Internet information services” to “provide users with Internet information release and application platforms, including but not limited to Internet services such as Internet news information services, search engines, real-time communication, interactive information services, live broadcasting, online payment, advertising promotion, online storage, online shopping, online reservations, and application software downloads”, (ii) those engaging in Internet information services that are operating Telecommunications Services, shall obtain a Telecommunications Services operation license; those engaging in Internet information services that are not operating Telecommunications Services, shall file with the competent telecommunications authorities, (iii) Internet Information Service Providers and Internet Network Access Service Providers are required to ensure the security of personal information and take technical and necessary measures to prevent leakage, damage or loss of identity information and information records collected, used, recorded and stored, in order to strengthen the protection of user information. Such Consultation Paper has not been officially promulgated and has not yet come into effect since the public consultation for comments ended on February 7, 2021.

In addition to the Telecommunication Regulation and other regulations above, the provision of profitable Internet information service via mobile Internet applications is subject to the Provisions on the Administration of Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》), which was promulgated by the CAC on June 28, 2016 and took effect on August 1, 2016. Mobile Internet application information service providers shall comply with the above provisions, which include obtaining relevant qualifications required by laws and regulations and strictly implementing information security management responsibilities, and fulfilling obligations such as protecting user information security, establishing information content review management mechanism, protecting users’ right to know and right to choose, and respecting and protecting intellectual property rights in accordance with the law. The Provisions on the Administration of Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》) was promulgated by the CAC on June 2022 and took effect on August 1, 2022, as of the Latest Practicable Date, the provisions above were still effective. The Provisions on the Administration of Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》) was amended in August 2022. Upon amendment, the CAC and its local branches shall be responsible for the supervision and administration of nationwide and local APP information, respectively. In addition, the APP information service providers shall satisfy relevant qualifications required by laws and regulations, strictly fulfill their responsibilities of information security management, and perform the following duties: (1) verify identities with the registered users through mobile phone numbers etc.; (2) establish and improve the mechanism for user information security protection, follow the principles of “legality, appropriateness, necessity and good faith” in collection and use of personal information, expressly state the purpose, methods and scope of information collection, and obtain the users’ consent; (3) establish and improve the verification and management mechanism for the information content; adopt proper sanctions and measures such as warning, limiting functions, suspending updates, and closing accounts, for releasing illegal information content, as appropriate, keep records and report to the competent department. If the application providers violate the provisions, the CAC and the relevant competent authorities shall process according to the

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relevant laws and regulations within the scope of their duties. As such specific requirements are in consistence with and originate from the Cybersecurity Law, Data Security Law and the PIPL, we have set up internal measures to comply with such requirements, see details “Business—Data Privacy and Information Security Risk Management” and our PRC Legal Advisor is of the view that we comply with all material aspects of such requirements.

Regulations on Credit Reporting Business

Pursuant to the Regulation on the Administration of Credit Reporting Industry (《徵信業管理條例》), promulgated by the State Council on January 21, 2013 and became effective on March 15, 2013 and the Measures for the Administration of the Credit Reporting Business (《徵信業務管理辦法》) (the “**Credit Reporting Measures**”) issued by PBOC on September 27, 2021 and became effective on January 1, 2022 (the “**Effective Date**”), credit reporting business refers to the activities of collecting, organizing, storing and processing credit-related information of individuals and enterprises, as well as providing such information to information users. Credit-related information refers to the basic information, loan information, and other relevant information that are collected in accordance with the law to provide services for financial and other activities, and used to identify and judge the credit status of enterprises and individuals, as well as analysis and evaluation information formed based on the aforementioned information. The State adopts a license system for credit reporting business, where (i) those engaging in personal credit reporting business shall obtain a license from the personal credit reporting agency of PBOC in accordance with the law; (ii) those engaging in corporate credit reporting business shall file with enterprise credit reporting agencies in accordance with the law; and (iii) those engaging in the credit rating business shall file with credit rating agencies in accordance with the law. The Credit Reporting Measures provides for a transitional arrangement whereby enterprises and agencies that have not obtained personal credit reporting business operating license or filed with an enterprise credit reporting agency, but are actually engaged in credit reporting business, shall complete business modifications to comply with the Credit Reporting Measures within 18 months from the Effective Date. Such transition period in the Credit Reporting Measures was established by the PBOC to take into account the need to make modifications to business cooperation models between financial institutions, on the one hand, and Internet platforms, data companies or other institutions, on the other hand. During the transition period, the PBOC is expected to strengthen its guidance relating to the business operation of the relevant institutions and promote smooth transition in stages.

Regulation on Online Retail Operations

Pursuant to the E-Commerce Law of the People’s Republic of China (《中華人民共和國電子商務法》), promulgated by the NPC Standing Committee on March 31, 2018 and took effect on January 1, 2019, an e-commerce operator shall, in business operation, abide by the principles of voluntariness, equality, equity and good faith, observe the law and business ethics, fairly participate in market competition, perform obligations in aspects including protection of consumer rights and interests, environment, intellectual property rights, cybersecurity and individual information, assume responsibility for quality of products or services. If an E-commerce platform operator conducts self-operated business on its platform, it shall distinguish and mark the self-operated business and the business carried out by on-platform operators in a conspicuous way, and shall not mislead consumers. E-commerce platform operators shall bear the civil liability of commodity sellers or service providers in accordance with the law for their businesses marked as self-operated.

Pursuant to the Measures for the Supervision and Administration of Online Transactions (《網絡交易監督管理辦法》), promulgated by the State Administration for Market Regulation on March 15, 2021, amended on March 18, 2025 and became effective on May 1, 2025 online transaction operators refer to natural persons, legal persons and non-incorporated organizations that organize and carry out online transaction activities, including

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online transaction platform operators, on-platform operators, self-built website operators, and online transaction operators that conduct online transaction activities through other online services. Online transaction operators and their staff shall keep the collected personal information strictly confidential, and shall not provide it to any third party, including related parties, without the authorization and consent of the person being collected, except to cooperate with supervision and law enforcement activities in accordance with the law. Interim Measures for the Submission of Online Trading Compliance Data and the Administration (《網絡交易合規數據報送管理暫行辦法》), issued by the State Administration for Market Regulation on March 24, 2025 and implemented on April 25, 2025, defines the scope of compliance data for online transactions, such as identity information of online transaction operators, data on clues to illegal activities, administrative law enforcement coordination data, and transaction data for specific goods or services. It also standardizes the act of submitting compliance data in online transactions, clarifies the time limit for data submission, the hierarchical level of submission, and the content of submission, and stipulates the utilization and management of compliance data in online transactions. As an online trading operator regulated by the Measures for the Supervision and Administration of Online Transactions, we shall follow the relevant regulations, and as of the Latest Practicable Date, we have not been subject to any penalty or investigation for violating the Measures for the Supervision and Administration of Online Transactions by any authority. At the same time, online transaction operators shall not violate the Law for Anti-Unfair Competition Law of the People’s Republic of China (《中華人民共和國反不正當競爭法》) and other provisions to conduct unfair competition behaviors that disrupt the order of market competition and damage the legitimate rights and interests of other operators or consumers. Online transaction operators shall not deliver commercial information to consumers without the consent or request of customers. Online transaction operators shall disclose commodity or service information in a comprehensive, truthful, accurate and timely manner to protect consumers’ rights to know and rights to choose. Online transaction operators who violate the Measures for the Supervision and Administration of Online Transactions, may be ordered to make corrections within a prescribed time limit, fines and other penalties, and bear civil and criminal liabilities in accordance with law.

Regulations on Internet Advertising

The Interim Measures for the Administration of Internet Advertising (《互聯網廣告管理暫行辦法》), which was published by the former Administrative Department for Industry and Commerce (currently known as the State Administration for Market Regulation) on July 4, 2016 and became effective on September 1, 2016 stipulates that, Internet Advertising refer to commercial advertisements that directly or indirectly promote goods or services in text, pictures, audio, video or other forms, through websites, web pages, Internet applications and other Internet media. No unit or individual may design, produce, represent, or publish advertisements on the Internet for goods or services provided that are prohibited from being produced or sold, and goods or services that are prohibited from being advertised, by law and administrative regulations. Internet Advertising should be identifiable and clearly marked “Advertisement” so that consumers can identify them as advertisements. Publishing and circulating advertisements online shall not affect the normal use of the Internet by users. Advertisements published in the form of pop-ups on Internet pages should be clearly marked with a closing sign to ensure one-click closing. It is not allowed to induce users to click on ad content deceptively.

On February 25, 2023, the SAMR promulgated the Measures on Internet Advertising (《互聯網廣告管理辦法》) (the “**Internet Advertising Measures**”), which became effective on May 1, 2023, to regulate any advertisement published on the internet, including but not limited to, through websites, webpage and apps, in the form of word, picture, audio and video and provides more detailed guidelines to the advertisers, advertising operators and advertising distributors. Internet advertisers are responsible for the authenticity of the content of advertisements and may publish advertisements by setting up a website or an internet medium owned by them, or by entrusting internet advertising operators or advertising publishers to publish advertisements. Internet platform operators must take measures in the process of providing Internet information services to prevent and stop illegal

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advertisements. In addition, it is not allowed to cheat or mislead users to click on or browse advertisements in the following ways: (1) false system or software updates, error reporting, removal, notice and other prompts; (2) false signs such as playing, starting, pausing, stopping, and returning; (3) false reward promises; and (4) other methods to cheat or mislead users. Any violation of the Internet Advertising Measures may result in fines, prohibition of publishing advertisements for a period of time or withdrawal of business licenses, and other penalties.

Regulations on Consumer Protection and Product Quality

Protection of Consumer Rights and Interests

Pursuant to the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) (the “**Consumer Rights and Interests Protection Law**”) promulgated by Standing Committee on October 31, 1993, which was amended on August 27, 2009 and October 25, 2013, and became effective on March 15, 2014, business operators must guarantee that the commodities they sell satisfy the requirements for personal or property safety, provide consumers with authentic information about the commodities, and guarantee the quality, function, usage and term of validity of the commodities. Failure to comply with the Consumer Rights and Interests Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacement of commodities, repairing, ceasing damages, compensation, and restoring reputation, and even subject to criminal penalties. Where the operators of the online trading platforms are unable to provide the real names, addresses and valid contact details of the sellers or service providers, the consumers may also claim damages to the providers of the online trading platforms. Operators of online trading platforms that clearly knew or should have known that sellers or service providers use their platforms to infringe upon the legitimate rights and interests of consumers but fail to take necessary measures should bear joint and several liabilities with the sellers or service providers. If business operators deceive consumers, knowingly provide substandard or defective products or services, causing death or serious damage to the health of consumers or other victims, they should compensate consumers for their losses, and pay additional damages or punitive damages. Any violation of the Consumer Rights and Interests Protection Law can result in warning, confiscation of illegal earnings, fines, suspension of business, revocation of business licenses, and potential civil or criminal liabilities.

Product Quality

Pursuant to the Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》) promulgated by Standing Committee on February 22, 1993, which was last amended and became effective on December 29, 2018, the sellers shall take measures to maintain the quality of products sold, establish and implement a check-for-acceptance system, and verify the product qualification certificates and other marks. The sellers shall not forge or fraudulently use quality marks such as certification marks. The seller shall be liable for compensation if the products are defective due to the seller’s fault. Those who produce and sell products that do not meet the state or industrial standards for the protection of human health and personal and property safety may incur civil liabilities and administrative penalties, including compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities.

According to the Civil Code of the People’s Republic of China (《中華人民共和國民法典》) (the “**Civil Code**”) promulgated by the National People’s Congress of the People’s Republic of China on May 28, 2020, which became effective on January 1, 2021, if a defect is discovered after the products have been put into circulation, the manufacturers or sellers shall take remedial measures, such as issuing product warnings, calls and recalls in a timely manner. In the event of damage resulting from defective products or failure to take timely

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remedial measures, the infringed party may seek compensation from the manufacturers or sellers of such products. If the defects are caused by the seller, the manufacturer has the right to recover from the seller for compensation of the victims. If the products produced or sold have known defects, causing deaths or severe adverse health problems, the infringed party has the right to claim punitive damages in addition to the right to claim damages.

Regulations on Personal Information and Data Privacy

Personal Information Protection

Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public personal information of others.

The Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”) promulgated by the Standing Committee on August 20, 2021 and implemented on November 1, 2021, provides for the processing, reasonable use and protection of personal information. Pursuant to the Personal Information Protection Law, personal information refers to all kinds of information related to identified or identifiable natural persons recorded by electronically or in other ways, not including anonymized information. Processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion of personal information. Processing of personal information shall be subject to the principles of legality, legitimacy, necessity and integrity, and shall not be processed by means of misleading, fraud, coercion and others. Personal information processors shall not disclose the personal information they process, unless they have obtained individual consent or required by applicable laws and regulations. Those who process the sensitive personal information, i.e. the personal information that, once leaked or illegally used, may easily lead to infringement of the personal dignity of natural persons or endanger the personal and property safety, including biometrics, religious beliefs, specific identity, medical health, financial accounts, whereabouts and other information, as well as the personal information of minors under the age of 14, shall obtain the individual’s individual consent; where laws and administrative regulations stipulate that the processing of sensitive personal information requires written consent, such provisions shall prevail. In addition, the Personal Information Protection Law stipulates the conditions for providing personal information outside the People’s Republic of China due to business needs, including that it shall (i) pass the security assessment organized by the national cyberspace administration; or (ii) pass a certification of personal information protection from a professional institution in accordance with the provisions issued by the national cyberspace administration; or (iii) enter into a standard contract formulated by the national cyberspace administration with the overseas recipient to stipulate the rights and obligations of both parties; or (iv) comply with laws, administrative regulations or any other condition prescribed by the national cyberspace administration. Any violation of requirements in respect of personal information processing or non-performance of personal information protection obligations when processing personal information could lead to order of correction, issuance of a warning, confiscation of illegal gains and order of suspension or termination of service provided by the applications processing personal information illegally from the administration performing the personal information protection duties; and fines depending on the severity of the case.

The Provisions on Protecting the Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人信息保護規定》) promulgated by the MIIT on July 16, 2013, which became effective on September 1, 2013, provides for the collection and use of users’ personal information in the provision of telecommunication services and Internet information services in China. According to the Provisions on

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Protecting the Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人信息保護規定》), personal information includes a user’s name, date of birth, identification card number, address, mobile phone number, account name, password and other information that can identify the user. Telecommunication service providers and Internet service providers are required to formulate their own rules for the collection and use of users’ information, and shall not collect or use user’s information without user’s consent. Telecommunication service providers and Internet service providers must specify the purposes, methods and scope of information collection and use, obtain consent of the relevant users, and keep the collected personal information confidential. Telecommunication service providers and Internet service providers shall not disclose, tamper with, damage, sell or illegally provide other people with, collected personal information. Telecommunication business operators and Internet service providers are required to take technical and other measures to prevent collected personal information from any unauthorized disclosure, damage or loss.

The Regulations on the Scope of Essential Personal Information for Common Types of Mobile Internet Application (《常見類型移動互聯網應用程序必要個人信息範圍規定》) jointly promulgated by the CAC, the MIIT, the Ministry of Public Security and the State Administration for Market Regulation on March 12, 2021, which became effective on May 1, 2021, specifies the definition and scope of essential personal information for common types of application. Furthermore, app operators shall not refuse users to use the basic functions of the Apps on the grounds that users do not agree to provide unnecessary personal information.

On February 14, 2025, the Cyberspace Administration of China issued the Administrative Measures for the Compliance Audit of Personal Information Protection (《個人信息保護合規審計管理辦法》), which took effect on May 1, 2025. According to the Administrative Measures for the Compliance Audit of Personal Information Protection, the term “compliance audit of personal information protection” refers to supervisory activities that review and evaluate whether the personal information processing activities of personal information processors comply with laws and administrative regulations. Personal information processors that process the personal information of more than 10 million individuals shall carry out the compliance audit of personal information protection at least every two years. Personal information processors in any of the following circumstances may be required by the Cyberspace Administration of China and other departments performing personal information protection duties (hereinafter collectively referred to as the “Protection Departments”) to entrust a professional agency to conduct a compliance audit of their personal information processing activities: (i) Where significant risks are identified in the personal information processing activities that severely impact individual rights or lack adequate security measures; (ii) Where the personal information processing activities may infringe upon the rights and interests of a large number of individuals; (iii) In the event of a personal information security incident resulting in the leakage, tampering, loss, or destruction of personal information of more than 1 million individuals or sensitive personal information of more than 100,000 individuals.

Data Security

Pursuant to the Data Security Law of People’s Republic of China (《中華人民共和國數據安全法》) (the “**Data Security Law**”), which was promulgated by the Standing Committee on June 10, 2021 and took effect on September 1, 2021, those carrying out the data processing activities shall comply with laws and regulations, respect social morality and ethics, comply with commercial ethics and professional ethics, be honest and trustworthy, perform obligations to protect data security, and undertake social responsibilities; and shall not endanger national security, public interests, or harm the lawful rights and interests of the individuals and organizations. Data processing activities shall be carried out in accordance with the provisions of laws and regulations, establish and improve a whole-process data security management system, organize and carry out data security education and training, and adopt corresponding technical measures and other necessary measures to ensure data security. The use of the Internet and other information networks to carry out data processing

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activities shall perform the above-mentioned data security protection obligations on the basis of the network security level protection system. The state establishes a data classification and grading protection system based on the level of importance of the data in the economic and social development, as well as the level of danger of the data imposed on national security, public interests, or the legal interests of individuals and organizations upon any tampering, destruction, leakage, illegal acquisition or illegal use. The state establishes a national data security review system, under which data processing activities that affect or may affect national security shall be reviewed. If significant security risks are found in any data processing activities during the performance of their duties by the relevant authorities to regulate data security, the relevant authorities may meet with such organizations or individuals based on the prescribed authority and procedures, and require such organizations or individuals to take rectifying measures to eliminate the potential risks. Any violations of the provisions and requirements of the Data Security Law may lead to penalties, including warnings, fines, suspension of the relevant businesses, suspension of operation, revocation of relevant business licenses or operation licenses, or being held criminally liable in accordance with the law.

Guidelines relating to fee charging practices

Guidelines on Fee Charging Compliance for Online Transaction Platforms (《網絡交易平台收費合規指南》) published by the State Administration for Market Regulation on July 31, 2025, aims to standardize how online transaction platforms charge merchants for services, such as commission fees, membership fees, technical service charges, information fees, and marketing expenses. Under the guidelines, the online transaction platforms must adhere to principles of fairness, legality, and good faith when determining fees. The guidelines also explicitly prohibits online transaction platforms from engaging in unreasonable fee practices including: (1) duplicating charges, (2) collecting of fees without providing corresponding services, (3) shifting platform costs to online merchants (4) charging online merchants for access to basic operational data, (5) forcing or coercing online merchants to purchase services or participate in promotional or sales activities and imposing fees for such actions; (6) imposing disguised charges or raising fees through mechanisms such as unreasonable security deposits; (7) engaging in price discrimination by offering identical goods or services to online merchants under equivalent transaction conditions; (8) levying any other unreasonable fees. As Frost & Sullivan confirmed that there is no material discrepancy upon comparing the fee arrangements between our Group and the two merchants and the pricing models adopted by our peers, our PRC Legal Advisor is of the view that such charges would hardly fall within the scope of the unreasonable charges under the Guidelines. Thus, our Directors are of the view that the Guidelines would have no material impact on our operations and would have no adverse impact on our financial performance.

Regulations relating to Cybersecurity

Cybersecurity Law

Pursuant to the Amendment (IX) to the Criminal Law of the People’s Republic of China (《中華人民共和國刑法修正案(九)》) issued by the Standing Committee on August 29, 2015 and became effective on November 1, 2015, any network service provider fails to fulfill the obligations of cybersecurity management as required by laws and administrative regulations and refuses to rectify upon orders resulting in any dissemination of illegal information in large scale or any leakage of the users’ information with serious consequences, shall, if the circumstances are serious, be sentenced to imprisonment of not more than three years or criminal detention in addition to a fine or be sentenced to a fine only.

According to the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”) promulgated by the Standing Committee on November 7, 2016, which became effective on June 1, 2017, network operators shall perform obligations related to cybersecurity protection and

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strengthen the network information management. For instance, when collecting and using personal information, network operators shall abide by the “lawful, justifiable and necessary” principles. Network operators shall collect and use personal information by announcing rules for collection and use, expressly notify the purpose, methods and scope of such collection and use, and obtain the consent of the person whose personal information is to be collected. Network operators shall not disclose, tamper with or destroy personal information that it has collected, or disclose such information to others without prior consent of the person whose personal information has been collected, unless such information has been processed to prevent a specific person from being identified and such information from being restored. Each individual is entitled to require a network operator to delete his or her personal information if he or she finds that collection and use of such information by such operator violate the laws, administrative regulations or the agreement by and between such operator and such individual; and is entitled to require any network operator to make corrections if he or she finds errors in such information collected and stored by such operator. Such operator shall take measures to delete the information or correct the error. Meanwhile, the state takes measures to maintain the security and order of cyberspace and cracks down on cyber illegal activities and crimes by law. If any network operator violates the provisions and requirements of the Cybersecurity Law, they may be subject to warnings, fines, confiscation of illegal incomes, revocation of licenses, cancellation of filings, website shut-down, or even criminal liabilities.

Cybersecurity Review

On September 24, 2024, the State Council promulgated the Regulations on the Administration of Cyber Data Security (the “Data Security Regulations”) (《網絡數據安全管理條例》), which became effective on January 1, 2025, stipulate that data processors engaging in data processing activities that affect or may affect national security shall be subject to cyber security review in accordance with relevant laws and regulations. The Data Security Regulations do not include the content related to cybersecurity review for listings in Hong Kong SAR that was presented in the foregoing sub paragraph (iii) of the Draft Data Security Regulations published on November 14, 2021.

Pursuant to the Measures for Cybersecurity Review (《網絡安全審查辦法》) jointly promulgated by the CAC, the NDRC, the MIIT, the Ministry of Public Security, the Ministry of State Security, the MOFCOM, the PBOC, the State Administration for Market Regulation, the National Radio and Television Administration, CSRC, the National Administration of State Secrets Protection, and the State Cryptography Administration on December 28, 2021 and became effective on February 15, 2022, the Cybersecurity Review Measures (《網絡安全審查辦法》) stipulate that (i) network platform operators holding over one million users’ personal information must apply with the Cybersecurity Review Office for a cybersecurity review before any public offering in a foreign country; (ii) key information infrastructure operators should apply for cybersecurity review for purchasing network products and services that affect or may affect national security; and (iii) the CAC may initiate cybersecurity review for conducting data processing activities that affect of may affect national security.

Regulations on Algorithm Recommendations

The Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services (《互聯網信息服務算法推薦管理規定》) (the “**Algorithm Administration Provisions**”) issued by the CAC, the MIIT, the Ministry of Public Security and the State Administration for Market Regulation on December 31, 2021 and effective on March 1, 2022 regulate the application of algorithm recommendation technology to provide Internet information services in China. According to the Algorithm Administration Provisions, the algorithm recommendation technology refers to the use of algorithm technologies such as generation and synthesis, personalized delivery, sorting and selection, retrieval and filtering, scheduling and decision-making to provide information to users. Algorithmic recommendation service providers shall not use algorithmic

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recommendation services to engage in activities prohibited by laws and administrative regulations, such as endangering national security and social public interests, disturbing economic and social order, and infringing on the legitimate rights and interests of others. They shall not use algorithmic recommendation services to disseminate information prohibited by laws and administrative regulations, and shall take measures to prevent and resist the dissemination of harmful information. Algorithm recommendation service providers shall establish and improve management systems and technical measures such as algorithm mechanism review, scientific and technological ethics review, user registration, information release review, data security and personal information protection, anti-telecom network fraud, security assessment and monitoring, emergency disposal of security events, formulate and disclose relevant rules of algorithm recommendation service, and equip professionals and technical support appropriate to the scale of algorithm recommendation service. In addition, it shall regularly review, evaluate and verify the algorithm mechanism, model, data and application results, and shall not set algorithm models that induce users to indulge and consume excessively, which violate laws and regulations or violate ethics.

The cyberspace department will cooperate with relevant departments such as the departments of telecom, public security and market regulatory to carry out safety evaluation, supervision and inspection on algorithm recommendation services according to law, and put forward rectification opinions on the problems found in time and make rectification within a time limit. If the algorithm recommendation service provider violates the regulations on algorithm management, it may be warned and criticized by the competent department, ordered to make corrections within a time limit, ordered to suspend information update, fined or punished for public security management, or investigated for criminal responsibility according to law.

On November 25, 2022, the CAC promulgated the Administrative Provisions on Deep Synthesis in Internet-based Information Services (《互聯網信息服務深度合成管理規定》), which was released after being approved by the Ministry of Industry and Information Technology and the Ministry of Public Security, and came into force on January 10, 2023, pursuant to which, deep synthesis service providers shall fulfill their principal responsibilities for information security, establish and improve management systems for, among other things, user registration, algorithm mechanism review, scientific and technological ethics review, information release review, data security, personal information protection, combating telecom and online fraud, and emergency response, and have safe and controllable technical support measures.

Regulations on Generative AI Services

The Provisional Administrative Measures for Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (“**Generative AI Services Measures**”), effective on August 15, 2023, promulgated by the CAC, NDRC, Ministry of Education, Ministry of Science and Technology, MIIT, the MPS, National Radio and Television Administration on July 10, 2023, impose compliance requirements for providers of generative AI services to the general public within the territory of PRC. The Generative AI Services Measures provide, among other things, that the provider of generative AI services of text, image, audio or video to the general public shall (i) assume the responsibilities as the producers of the AI-generated content thereon, and (ii) any provider of generative artificial intelligence services with attribute of public opinions or capable of social mobilization shall conduct security assessment in accordance with the relevant regulations, and complete the formalities for algorithm filing, change or deregistration in accordance with Provisions on Algorithm Recommendation. Any failure to comply with such filing or assessment requirements (to the extent that the relevant regulators deem that such regulatory procedures apply to us) or any other noncompliance or perceived noncompliance with the above provisions may subject us to penalties and liabilities, including, among others, warnings, public denouncement, fines, rectification orders, suspension of the provision of relevant services, and even criminal liabilities.

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Provisions on the Administration of Internet User Account Information

Pursuant to the Provisions on the Administration of Internet User Account Information (《互聯網用戶賬號信息管理規定》), promulgated by the CAC on June 2022 and became effective on August 2022, Internet information service providers shall, in accordance with laws, administrative regulations and relevant provisions of the State, formulate and publish the account management rules and platform conventions for Internet users, enter into service agreements with Internet users, and specify the rights and obligations relate to account information registration, use and management. At the same time, Internet information service providers shall verify the account information submitted during the registration and to be changed during using of such account by Internet users, establish a dynamic verification system of account information, timely check the stock account information, and in any event of a non-compliance occurs, shall suspend the provision of services and notify the user to rectify such non-compliance within the limited period, or otherwise, the service provision shall be terminated. Any Internet information service provider that violates the Provisions on the Administration of Internet User Account Information shall be imposed a penalty according to the provisions of relevant laws and administrative regulations. In any event any such penalty is not provided by the laws and administrative regulations, the Cyberspace Administration authorities at or above the provincial level shall give a warning and circulate a criticism according to their duties, order them to rectify within a limited period, and may be fined for not less than RMB10,000 but not exceeding RMB100,000. Any act that constitutes a violation of security management shall be transferred to a public security authority for handling, or if a crime is constituted, shall be transferred to a judicial organ for handling.

Security Assessment Measures for Outbound Data Transfers

On July 7, 2022, the Cyberspace Administration of China (“CAC”) published the Security Assessment Measures for Outbound Data Transfers (《數據出境安全評估辦法》) (the “**Assessment Measures**”), which came into effect on September 1, 2022. The Assessment Measures specify the potential security assessment process for outbound data transfer. A data processor shall declare security assessment for its outbound data transfer regarding to the important data and personal information collected or generated during its operation within the mainland of PRC to the CAC through the local cyberspace administration at the provincial level in any of the following circumstances (i) where a data processor provides important data, which means any data that, if it is tampered with, destroyed, divulged, illegally obtained, or illegally used, among others, may endanger national security, economic operation, social stability, public health and security, among others, abroad; (ii) where a critical information infrastructure operator or a data processor processing the personal information of more than one million individuals provides personal information abroad (iii) where a data processor has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year: and (iv) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required. In addition, on February 22, 2023, Cyberspace Administration of China promulgated Measures for the Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》), which came into effect on June 1, 2023. Pursuant to Measures for the Standard Contract for Outbound Transfer of Personal Information, personal information processor transferring personal information abroad shall conclude Standard Contract if satisfy all the following conditions: (1) the data processor who intends to transfer personal information abroad is not a critical information infrastructure operator; (2) the data processor processes personal information of less than one million individuals; (3) the data processor has cumulatively transferred abroad the personal information of less than 100,000 individuals since January 1 of the previous year; and (4) the data processor has cumulatively transferred abroad the sensitive personal information of less than 10,000 individuals since January 1 of the previous year. On March 22, 2024, the CAC promulgated the Regulations on Promoting and Regulating Cross-border Data Flow, which further clarified the implementation and connection of the existing data outbound security assessment,

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personal information cross-border standard contract and personal information protection certification regarding data outbound activities. The regulations, among other things, provide relaxed conditions for cross-border data flow and narrowed scope of security assessment for data outbound activities. Among them, the two types of data outbound activity conditions that should be reported for data outbound security assessment are (i) the operator of critical information infrastructure provides personal information or important data overseas and (ii) data processors other than critical information infrastructure operators provide important data overseas, or provide personal information of more than 1 million people (excluding sensitive personal information) or more than 10,000 sensitive personal information overseas since January 1 of the year. On March 22, 2024, the CAC promulgated the Regulations on Promoting and Regulating Cross-Border Data Flow 《促進和規範數據跨境流動規定》, which came into effect from the date of promulgation. The regulations provide several exemptions for enterprises from the need to conduct data security assessments, obtain personal information protection certifications, or enter into standard contracts for the export of personal information. These exemptions include, but are not limited to, situations where data processors other than operators of critical information infrastructure have provided personal information (excluding sensitive personal information) to overseas recipients for less than 100,000 individuals since January 1 of the current year. Data processors other than operators of critical information infrastructure who have provided (a) personal information (excluding sensitive personal information) to overseas recipients for more than 100,000 but less than 1,000,000 individuals, or (b) sensitive personal information for less than 10,000 individuals since January 1 of the current year, shall enter into standard contracts for the export of personal information or obtain personal information protection certifications with the overseas recipients in accordance with the law. The regulations also explicitly stipulate that data processors are not required to declare a data export security assessment for data that has not been notified or publicly released as important data by relevant departments or regions. We operate business within the mainland of PRC and all the data and personal information collected and generated during our operation is stored within PRC. Furthermore, our business operation involves no cross-border transfer of personal information and the data we process during our daily operations that may be cross-border transferred has not been identified or publicly announced as important data by the relevant departments or local regulatory authorities. Based on the foregoing, our PRC Legal Advisor is of the view that the likelihood that such Measures for Outbound Data Transfers applies to our business operation is remote and may have no adverse impact on our business operation. The Assessment Measures also provide procedures for security assessment and submissions, important factors to be considered in conducting assessment, and legal liabilities of a data processor for failure to apply for assessment.

III. REGULATIONS ON INTELLECTUAL PROPERTY

Trademarks

Pursuant to the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》) (the “**Trademark Law**”) promulgated by the Standing Committee on August 23, 1982, last amended on April 23, 2019, and became effective on November 1, 2019, as well as the Regulation on the Implementation of the Trademark Law of the People’s Republic of China (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and amended on April 29, 2014, the Trademark Office of the Administrative Department for Industry and Commerce under the State Council shall be responsible for the registration and administration of trademarks throughout the country. The period of validity of a registered trademark shall be 10 years, counted from the date of approval of the registration. The renewal of registration may be conducted upon the request of the trademark registrant. The period of validity for each renewal of registration is 10 years. The trademark registrant may enter into a transfer agreement to transfer its registered trademark or license its registered trademark to another party by entering into a trademark license agreement. The Trademark Law adopts a “prior application” principle with respect to trademark registration, that is, where two or more trademark

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registration applicants apply for registration of identical or similar trademarks to be used on the same kind of or similar commodities, the trademark applied earlier, shall be preliminarily approved and published. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a certain degree of reputation through such party's use.

Copyrights

Pursuant to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) and its implementation rules, which was promulgated by the Standing Committee on September 7, 1990, amended on October 27, 2001, February 26, 2010 and November 11, 2020, and became effective on June 1, 2021, Chinese citizens, legal persons or other organizations shall enjoy copyright in their works, including, among others, works of literature, art, natural science, social science, engineering technology and computer software, whether published or not. In addition, internet activities, products and software products disseminated over the internet are also entitled to copyright. Copying, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, bear the civil liabilities such as stopping the infringement, eliminating the impact, offering an apology, and compensating for losses.

The Regulation on the Protection of the Right to Communicate Works to the Public over Information Networks (《信息網絡傳播權保護條例》) promulgated by the State Council on May 18, 2006, which was amended on January 30, 2013 and became effective on March 1, 2013, stipulates specifically on fair use, statutory license, and a safe harbor for use of copyrights and copyright management technology and specifies the liabilities of various entities for various violations, including copyright holders, libraries and internet service providers.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》), which was promulgated by the National Copyright Administration and became effective on February 20, 2002, applies to the registration of software copyright, the licensing contracts and transfer contracts. The National Copyright Administration of the PRC shall be competent authority for the registration and management of national software copyright and the Copyright Protection Centre of China is the software registration authority. Pursuant to the Regulation on Protection of Computers Software (《計算機軟件保護條例》), which was promulgated by the State Council on June 4, 1991, last amended on January 30, 2013, and finally became effective on March 1, 2013, the Copyright Protection Centre of China shall grant registration certificates to the computer software copyright applicants which conforms to the regulations of both the Computer Software Copyright Registration Measures and the Regulation on Protection of Computers Software.

The Measures on Administrative Protection of Internet Copyright (《互聯網著作權行政保護辦法》), that was promulgated by the National Copyright Administration and the former Ministry of Information Industry (including the Ministry of Posts and Telecommunications) on April 29, 2005 and took effect on May 30, 2005, provided that an internet information service provider shall take measures to remove the relevant contents, record relevant information after receiving the notice from the copyright owner that some content communicated through internet infringes upon his/its copyright and preserve the copyright owner's notice for 6 months. Where an internet information service provider (i) knows an internet content provider's tortuous act of infringing upon another's copyright through internet, or (ii) fails to take measures to remove relevant contents after receipt of the copyright owner's notice (regardless of whether the internet information service provider knows such infringement of the copyright), and meanwhile if the relevant infringement of the copyright damages public benefits, the infringer shall be ordered to stop the infringement act, and the illegal income shall be confiscated

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and a fine of than 3 times the illegal business amount; and if the illegal business amount is difficult to be calculated, a fine of not more than RMB100,000 shall be imposed.

In addition to the aforementioned laws and regulations on copyright protection in China, China is also a signatory to major international conventions on copyrights, and signed the Berne Convention for the Protection of Literary and Artistic Works in October 1992 and the Universal Copyright Convention in July 1992, as well as the Agreement on Trade-Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organization in December 2001.

Patents

Pursuant to the Patent Law of the People’s Republic of China (2020 Revision) (《中華人民共和國專利法(2020年修訂)》) issued by the Standing Committee on March 12, 1984, which was last amended on October 17, 2020 and became effective on June 1, 2021, and the Detailed Rules for the Implementation of the Patent Law of the People’s Republic of China (2010 Revision) (《中華人民共和國專利法實施細則(2010年修訂)》), which was last amended by the State Council on January 9, 2010 and became effective on February 1, 2010, the China National Intellectual Property Administration is responsible for administering patents in the PRC. The patent administration departments of provincial or autonomous regions or municipal governments are responsible for administering patents within their respective jurisdictions. The Patent Law of the People’s Republic of China and its detailed implementation rules class patents into three categories, namely “invention”, “utility model” and “design.” Invention patent right is valid for twenty years, utility model patent right is valid for ten years, and design patent right is valid for fifteen years, from the date of application. The patent system adopts a “prior application” principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who files the application first. If Chinese organizations or individuals transfer their rights in patent applications or patents to foreigners, foreign enterprises or other foreign organizations, such transfer should be conducted as required by the relevant laws and administrative regulations. Transfer of rights in patent applications or patents shall be conducted by entering into written contracts, and registered with and announced by the administrative department for patents under the State Council. Transfer of rights in patent applications or patents comes into effect from the date of registration.

Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網絡域名管理辦法》) promulgated by the MIIT on August 24, 2017 and took into effect on November 1, 2017, domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC Internet domain names.

The domain name registration services follow a “prior application” principle. Those otherwise provided in the corresponding implementing rules of domain name registration shall follow the requirements therein. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names and enter into user registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the domain name registration procedure. Domain name administration institutions and domain name registration service institutions shall store and protect personal information of users in accordance with the laws. It is prohibited to provide personal information of users to others without the consents of users, unless otherwise provided by the laws and administrative regulations.

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IV. REGULATIONS ON TAXATION

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》) (the “EIT Law”), which was promulgated by the Standing Committee on March 16, 2007 and was amended and became effective on February 24, 2017, December 29, 2018, and the Enterprise Income Tax Implementation Regulations of the People’s Republic of China (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council on December 6, 2007 and was amended and became effective on April 23, 2019, enterprises are classified as resident enterprises and non-resident enterprises. PRC resident enterprises typically pay an enterprise income tax at the rate of 25%, and non-PRC resident enterprises without any branches in China shall pay an enterprise income tax at the rate of 10% for their income from China.

Pursuant to the EIT Law and the Measures for the Administration of the Accreditation of High-Tech Enterprises (《高新技術企業認定管理辦法》) promulgated by the Ministry of Science and Technology, the MOFCOM and the State Administration of Taxation on April 14, 2008 and amended on January 29, 2016, High and New Technology Enterprises represent resident enterprises registered in the PRC (not including regions of Hong Kong SAR, Macau SAR and Taiwan, China) that continuously carries out research and development as well as transformation of technological achievements within the scope of the New and High Technology Areas with the Government’s Primary Support (《國家重點支持的高新技術領域》) and forms core proprietary intellectual property rights of the enterprise as the basis for business operation. For the High and New Technology Enterprises determined based on the abovementioned conditions, the EIT rate is 15%. The valid period of the Advanced-Technology Enterprise Certificate is three years, which is subject to renewal upon the examination by the State Administration of Taxation and other relevant authorities.

Value-added Tax

According to the Interim Regulations of the People’s Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and was last amended and became effective on November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulation of the People’s Republic of China on Value Added Tax (《增值稅暫行條例實施細則》) promulgated by MOFCOM on December 25, 1993, amended on December 15, 2008, October 28, 2011 and became effective on November 1, 2011, taxpayers that engage in the sale of goods, the provision of processing, repair and replacement services, the sale of services, intangible assets and immovable properties, and the importation of goods within the territory of the PRC must pay value-added tax.

The Measures for the Exemption of Value-Added Tax on Cross-Border Taxable Acts during the Replacement of Business Tax with Value-Added Tax (for Trial Implementation) (《營業稅改徵增值稅跨境應稅行為增值稅免稅管理辦法(試行)》), which was promulgated by the State Administration of Taxation on May 6, 2016 and revised on June 15, 2018, provides that if domestic enterprises provide cross-border taxable activities such as professional technical services, technology transfer, software services, the above-mentioned cross-border taxable activities are exempt from value-added tax.

The Circular of Full Implementation of Business Tax to Value-added Tax Reform (《關於全面推開營業稅改徵增值稅試點的通知》) jointly issued on March 23, 2016 by the MOFCOM and the State Administration of Taxation, which confirms that, business tax will be completely replaced by value-added tax from May 1, 2016. Pursuant to the Decision of the State Council on Annulling the Interim Regulations of the People’s Republic of China on Business Tax and Amending the Interim Regulations of the People’s Republic of China on Value-added Tax (《國務院關於廢止〈中華人民共和國營業稅暫行條例〉和修改〈中華人民共和國

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增值稅暫行條例》的決定》) promulgated by the State Council on November 19, 2017, all units and individuals engaged in the sale of goods, provision of processing, repairs and replacement services, sales services, intangible properties, real estate, and the importation of goods within the territory of the PRC are taxpayers of the value-added tax. The general applicable rate of value-added tax is reduced to 17%, 11%, 6%, and 0%, respectively, and the value-added tax rate applicable to small-scaled taxpayers is 3%.

According to the Notice on Adjusting Value-added Tax Rates (《關於調整增值稅稅率的通知》), which was promulgated by the MOFCOM and the State Administration of Taxation on April 4, 2018 and became effective on May 1, 2018, the tax rates of 17% and 11% applicable to any taxpayer’s VAT taxable sale or import of goods shall be adjusted to 16% and 10%, respectively. Pursuant to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) promulgated by the MOFCOM, the State Administration of Taxation and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the value-added tax rates are adjusted to 13% and 9%, respectively.

V. REGULATIONS ON LABOR AND SOCIAL SECURITY

Labor Contract Law

Pursuant to the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》) promulgated by the Standing Committee on July 5, 1994, and became effective on January 1, 1995 and amended on August 27, 2009 and on December 29, 2018, the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》) promulgated by the Standing Committee on June 29, 2007, and amended on December 28, 2012 and became effective on July 1, 2013, and the Regulation on the Implementation of the Labor Contract Law (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council and became effective on September 18, 2008, labor relationships between employers and employees must be executed in written form. Wages may not be lower than the local minimum wage standard. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant training to its employees. Employees are also required to follow rules on labor safety and sanitation.

Social Insurance and Housing Fund

As required by the Regulation on Work-Related Injury Insurance (《工傷保險條例》) promulgated by the State Council on April 27, 2003, amended on December 20, 2010 and became effective on January 1, 2011, the Trial Measures for Enterprise Staff Maternity Insurance (《企業職工生育保險試行辦法》) promulgated by the former Ministry of Labor and Social Security on December 14, 1994 and implemented on January 1, 1995, the Decision on the Establishment of a Unified Basic Pension Insurance System for Enterprise Employees (《關於建立統一的企業職工基本養老保險制度的決定》) promulgated and implemented by the State Council on July 16, 1997, the Decision of the State Council on Establishing the Urban Employees’ Basic Medical Insurance System (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated and implemented by the State Council on December 14, 1998, the Regulations on Unemployment Insurance (《失業保險條例》) promulgated and implemented by the State Council on January 22, 1999, the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and amended and effective on March 24, 2019, and the Social Insurance Law of the People’s Republic of China (《中華人民共和國社會保險法》) promulgated by the Standing Committee on October 28, 2010, became effective on July 1, 2011 and amended and effective on December 29, 2018, enterprises are required to provide benefit plans for their employees in China, which include pension insurance, unemployment insurance, maternity insurance, work injury insurance and medical insurance. All enterprises must register with the local social insurance agency to participate in social insurance and pay for their employees. If an enterprise does not pay the full amount of the relevant payment as scheduled, the competent authority shall order it to make

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the payment in full within the stipulated period and impose a daily surcharge equivalent to 0.05% of the overdue payment. If payment is still not made within the stipulated period, the enterprise shall be imposed a fine from one to three times the amount of overdue payment. On March 6, 2019, the general office of the State Council promulgated the Opinions on Comprehensively Advancing Combined Implementation of Maternity Insurance and the Basic Medical Insurance for Employees (《關於全面推進生育保險和職工基本醫療保險合併實施的意見》), which sets out the framework and rules for the major policies and supportive measures for advancing combined implementation of maternity insurance and the basic medical insurance for employees.

Pursuant to the Regulation on Management of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, which was last amended and effective on March 24, 2002 and March 24, 2019, enterprises shall undertake registration of contribution of the housing provident fund in the Housing Provident Fund Management Centre, open a housing provident fund account on behalf of its employees, and make contribution to the housing provident fund for the employees. After the verification of the Housing Provident Fund Management Centre, enterprises shall open an account in a relevant bank to deposit the housing provident funds of the employees. Enterprises must make contribution to the special housing provident fund account in the bank. If employers fail to settle those amounts, they may be ordered to make good the deficit within a stipulated time limit or apply to the people’s court for the enforcement of the order by the local administration.

VI. REGULATIONS ON FOREIGN EXCHANGE REGISTRATION AND OFFSHORE INVESTMENT ACTIVITIES BY PRC RESIDENTS

Pursuant to the Regulation of the People’s Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) (the “**Regulation on Foreign Exchange Administration**”) promulgated by the State Council on January 29, 1996, which was last amended and became effective on August 5, 2008, a domestic institution or individual that makes direct investment or issues or trades negotiable securities or derivative products overseas shall handle the registration formalities at the foreign exchange administrative department of the State Council. If the relevant state provisions require it/him to get the approval of the competent department or archive the issue with the competent department, it/he shall do so before handling the registration formalities. Payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements. Approval from the relevant government authorities or registration with the relevant government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items such as direct investment outside of China, repayment of foreign currency loans, round-tripping investment and security investment.

The Notice of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration of the Overseas Investment and Financing and the Round-tripping Investment Made by Domestic Residents through Special-Purpose Companies (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “**Circular 37**”), promulgated by the SAFE and became effective on July 4, 2014, sets out the rules on the foreign exchange matters about engagement of PRC residents or entities in overseas investment and financing and round-tripping investment via special purpose vehicles in China. According to the provisions of the Circular 37, PRC residents must conduct foreign exchange registration with SAFE or its local branches in connection with their offshore enterprises, or SPV, directly established or indirectly controlled by PRC residents for the purposes of offshore investment and financing with their legally owned assets or interests in domestic enterprises, or their legally owned offshore assets or interests.

Pursuant to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (

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the “**Circular 13**”), promulgated by the SAFE on February 13, 2015 and became effective on June 1, 2015, a “Special Purpose Vehicle or SPV” represents offshore enterprises directly established or indirectly controlled by PRC residents or enterprises for the purposes of offshore investment and financing with their legally owned assets or interests in domestic enterprises, or their legally owned offshore assets or interests, and “round-tripping investment” represents the engagement of PRC residents or enterprises in indirect investment activities via SPV, namely the establishment of WFOE, to obtain ownership, control rights and management rights. The Circular 13 has amended the Circular 37 by requiring PRC residents or entities to register with qualified banks rather than SAFE or its local branches in connection in relation to their establishment or control of an offshore entities for the purpose of overseas investment or financing. PRC residents or entities who had contributed legitimate onshore or offshore interests or assets to SPV but had not registered as required before the implementation of the SAFE Circular 37 must register their ownership interests or control in the special purpose vehicles with qualified banks. Amendments to the registration are required if there is any material change with respect to the registered special purpose vehicle, such as any change of basic information (including change of the PRC residents, name and operation term), increases or decreases in the investment amount, transfers or exchanges of shares, or mergers or divisions. Failure to comply with the registration procedures as set forth in the Circular 37 and the subsequent notice, or making misrepresentations or failure to disclose the control of the foreign investment enterprise which is established through round-tripping investments, may result in restrictions being imposed on the foreign exchange activities of the relevant foreign investment enterprise, including payment of dividends and other distributions, such as proceeds from any reduction in capital, share transfer or liquidation, to its offshore parent or affiliate, and the capital inflow from the offshore parent, and may also subject relevant PRC residents or entities to penalties under the Regulation on Foreign Exchange Administration.

Pursuant to the Notice on Issues concerning the Foreign Exchange Administration of Domestic Individuals’ Participation in Equity Incentive Plans of Overseas Listed Companies (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the “**Circular 7**”), promulgated by the SAFE on February 15, 2012, PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year (except for foreign diplomatic personnel in China and representatives of international organizations in China) who participate in any equity incentive plan of an overseas listed company shall, through the domestic company to which the said company is affiliated, collectively entrust a domestic agency to handle foreign exchange registration, and entrust an overseas institution to handle issues like exercise of options, purchase and sale of corresponding stocks or equity, and transfer of corresponding funds. The domestic agency shall be the Chinese subsidiary of the overseas listed company which participates in equity incentive plan, or other domestic institutions qualified for asset trust business lawfully designated by such company. In addition, the domestic agency is required to amend the SAFE registration with respect to the equity incentive plan if there is any material change to the equity incentive plan.

VII. LATEST RULES ON OVERSEAS LISTING AND CONTRACTUAL ARRANGEMENT

The CSRC promulgated Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and five relevant guidelines on February 17, 2023, which will become effective on March 31, 2023. The Overseas Listing Trial Measures regulate both direct and indirect overseas offering and listing by PRC domestic companies’ by adopting a filing-based regulatory regime.

According to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to complete the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provide that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and

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listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholder and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company’s controlling shareholder or by other shareholder that are controlled by the controlling shareholder and/or actual controller.

The Overseas Listing Trial Measures also provide that if the issuer both meets the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas offering subject to the filing procedure set forth under the Overseas Listing Trial Measures: (i) 50% or more of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by domestic companies; and (ii) the issuer’s business activities are substantially conducted in mainland China, or its principal place of business are located in mainland China, or the senior managers in charge of its business operations and management are mostly Chinese citizens or domiciled in Mainland China. Where an issuer submits an application for an initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also require subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer who have completed overseas offerings and listings.

According to the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) from the CSRC, China domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

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We are an operator of online marketplaces devoted to the consumption sector in China. Our consumer E-commerce platform, Yangxiaomie (羊小咩), established since 2020, carries a wide spectrum of retail goods ranging from consumer electronics, food and beverages, home appliances, cosmetics, jewelry to clothing and personal daily care provided by third-party marketplace suppliers, and matchessuch consumer goods with our Yangxiaomie Users through online purchases. We also operate an automobile retail O2O platform, Consumption Guide (消費地圖), which predominantly helps automobile retailers by attracting online traffic to purchase automobiles offline at local brick-and-mortar stores and, to a lesser extent, Consumption Guide also allows online purchase of automobiles by consumers. To a much lesser extent, we also assisted our business partners to place advertisements on our online marketplaces and offline through physical media. During the Track Record Period, we also provided matching services for financial institutions, where we matched them with potential end borrowers.

Liangzi Data was incorporated by Liangkebang, the holding company of the Retained Liangkebang Group, controlled by our founder Dr. Zhou, to undertake a brand new business in providing matching services for their business partners to match their goods and end customers that meet their customers criteria in response to the market demand for online marketplace for consumption in China. Over the years and with the development of Liangzi Data’s business, we have also established Beijing Quant in March 2017. In 2020, we began to operate Yangxiaomie (羊小咩), a consumer E-commerce platform and further established Consumption Guide an automobile retail O2O platform in April 2022. Together with our algorithmic operating system QuantPlanet, testified our steadfast focus on providing matching services for the consumption market to fulfill the market needs to integrate customer acquisition, provision of goods and services, and transfer of funds.

In March 2022 and as preparation for the [REDACTED], our Company was incorporated as the holding company of our Group. To streamline our operations which have been operated under a distinct corporate structure since inception, we underwent the Reorganization such that our Group continues to carry on the business in operating online marketplaces and providing matching services, which had been operated independently of the Retained Liangkebang Group in the past. See “Relationship with Our Controlling Shareholders” for further details of the relationship between our Group and the Retained Liangkebang Group.

KEY MILESTONES

The following table sets forth the major corporate milestones and achievements in the business development of our Group:

Year	Milestones
2014	Liangzi Data was incorporated in November to provide financial institutions with services to digitalize their financing services through data analytics and algorithms. We established QuantCube, the predecessor of QuantPlanet, in the later half of the year as our technology platform which marked our unyielding efforts in empowering our matching services.
2016	We were named “2016 China AI Startup Top 50 (2016中國人工智能創業公司TOP50)” by EqualOcean (億歐) in December.
2017	Beijing Quant was incorporated in March.

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Year	Milestones
2019	We were presented with the “2018 Outstanding AI Technology Award (2018年度傑出人工智能技術獎)” by 51CTO Network in January. We were recognized “Frontier Technologies — King of Commercial Intelligence (前沿科技 — 商業智能之王)” under 36Kr (36氪)’s WISE 2019 New Economy Kings List (WISE 2019新經濟之王) in November. We were named “2019 Star of AI (人工智能之星)” The Economic Observer (經濟觀察報) in December.
2020	We transformed Credit Wallet into Yangxiaomie, our E-commerce platform. We were named “2020 China AI Leading Enterprises Top 50 (2020中國人工智能領航企業TOP50)” by QbitAI (量子位) in December.
2021	In December: - We were recognized as “2021 Outstanding Digital Innovation Enterprise (2021年度卓越數字創新企業)” by The Economic Observer (經濟觀察報). - We upgraded our technology platform to QuantPlanet as an integrated platform supporting the operation of our online marketplaces. - We were awarded “2021 China AI Leader of the Year (2021中國人工智能年度領軍企業)” jointly by Soft6 (中國軟件網) and HAP Academy (海比研究院).
2022	We were awarded “2022 Highest Investment Value Award (2022 最具投資價值獎)” by the committee of The 11th 2022 Finance Submit (2022第十一屆財經峰會組委會) in June. We were recognized as “Hurun China Cheetahs 2022 Half-Year Report (2022年中胡潤中國獵豹企業)” by Hurun Research Center (胡潤研究院) in August. We were recognized as “2021 China Potential Unicorn Enterprise (2021年中國潛在獨角獸企業)” by Greatwall Strategy Consultants (長城戰略諮詢) in December.
2023	We were awarded “Next 50 in China: Digital Enterprise Service Providers (2022中國數字化企業服務商Top 50)” by the committee of World Innovators Meet 2022 organized by EqualOcean (億歐) in February. We were awarded “Outstanding Innovation Award (優秀創新獎)” in the 2023 Global Digital Economy Innovation Competition (2023年全球數字經濟創新大賽) jointly organized by Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局), Chaoyang District People’s Government of Beijing Municipality (朝陽區人民政府) and Asia Data Group (亞洲數據集團) in July. We were awarded “2023 China Artificial Intelligence Most Investment Value Award (2023中國人工智能最具投資價值獎)” jointly by Internet Weekly (互聯網週刊), Research Center for Informatization of the Chinese Academy of Social Sciences (中國社會科學院信息化研究中心) and eNet Research Centre (eNet研究院) in September. We were recognized and listed on the Hurun Global Cheetah Index 2023 (2023胡潤全球獵豹企業榜) by Hurun Research Institute (胡潤研究院) in December.

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OUR PRINCIPAL SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES

The following subsidiaries (including our Consolidated Affiliated Entities) of our Group were primarily responsible for the results, assets, liabilities or businesses of our Group during the Track Record Period and up to the Latest Practicable Date.

<u>Name of entity</u>	<u>Place of establishment</u>	<u>Date of establishment</u>	<u>Principal business activities</u>
Liangzi Data	PRC	November 3, 2014	Operation of Online Marketplaces
Beijing Quant	PRC	March 28, 2017	Operation of Online Marketplaces

CORPORATE DEVELOPMENT

The following sets forth the major corporate history and shareholding changes of our Group:

Historical shareholding structure of Liangkebang

Liangkebang was founded by Dr. Zhou, our executive Director and one of the members of our group Controlling Shareholders, in January 2014, to primarily engage in consumer loans-related business. At the time of its incorporation, Liangkebang’s shareholding structure was as follows:

<u>Name of shareholders of Liangkebang</u>	<u>Registered capital subscribed by the shareholder (RMB)</u>	<u>Approximate percentage of equity interests</u>
Dr. Zhou	935,000	85%
Tang Ning (唐寧) ^(Note)	165,000	15%
Total	1,100,000	100%

Note:

Tang Ning (唐寧) was an angel investor of Liangkebang and an Independent Third Party. He had transferred his entire equity interest in Liangkebang to Gongqingcheng Shangpeng, a Liangkebang Shareholder and a Beijing Xitui Shareholder, in May 2016.

From November 2014 to November 2020, Liangkebang conducted several rounds of financial investments. In March 2016, Liangkebang established Pingxiang Liangxing as the shareholding platform for the employees holding shares pursuant to an onshore restricted share unit scheme of Liangkebang. Upon completion of several rounds of financing and equity transfers among its shareholders, the shareholding structure of Liangkebang prior to the Reorganization was as follows:

<u>Name of shareholders of Liangkebang</u>	<u>Registered capital subscribed by the shareholder (RMB)</u>	<u>Approximate percentage of equity interests</u>
Founder		
Dr. Zhou	687,661	28.02%
Employee shareholding platform		
Pingxiang Liangxing ⁽¹⁾	366,096	14.92%
Financial investors		
Sunshine Life Insurance ⁽²⁾	398,476	16.23%
Yadong Xingchen ⁽³⁾	226,033	9.21%
Gaorong Capital ⁽⁴⁾	148,788	6.06%
Zhonghe Zhonghui ⁽⁵⁾	75,591	3.08%

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Name of shareholders of Liangkebang	Registered capital subscribed by the shareholder (RMB)	Approximate percentage of equity interests
Gongqingcheng Shangpeng ⁽⁶⁾	66,992	2.73%
Hengqin Chuangrong ⁽⁷⁾	62,466	2.55%
Digu Investment ⁽⁸⁾	61,300	2.50%
Shitai Point ⁽⁹⁾	49,017	2.00%
Fuhai Yichuang ⁽¹⁰⁾	48,379	1.97%
Zhiben Suyuan ⁽¹¹⁾	46,654	1.90%
Zhiwei Zhizhang ⁽¹²⁾	43,795	1.78%
Tianyi Point ⁽¹³⁾	42,554	1.73%
Jiaqing Investment ⁽¹⁴⁾	38,568	1.57%
Yadong Xinqi ⁽¹⁵⁾	30,637	1.25%
Jiangmen Growth ⁽¹⁶⁾	30,236	1.23%
Wang Ni (王倪) ⁽¹⁾	17,066	0.70%
Fengshi Shengmao ⁽¹⁷⁾	12,893	0.53%
Meishan FTP Zhongka ⁽¹⁸⁾	1,233	0.05%
Total	2,454,435	100%

Notes:

- (1) Pingxiang Liangxing is the employee shareholding platform established by Dr. Zhou and Wang Ni (王倪), Liangkebang's then chief operation officer on March 1, 2016. Pingxiang Liangxing is owned as to approximately 75% by Dr. Zhou, 22% by Wang Ni, and the remaining 3% by 12 other employees of Liangkebang. Out of the RMB366,096 registered capital subscribed by Pingxiang Liangxing, RMB185,857 was contributed by Dr. Zhou himself for share incentive purpose.
- (2) Sunshine Life Insurance is a non-listed joint stock company established in the PRC and is a non-wholly owned subsidiary of Sunshine Insurance Group Company Limited.
- (3) Yadong Xingchen is wholly owned by Yadong Guangxin Technology Development Co., Ltd.* (亞東廣信科技發展有限公司), which is ultimately held as to 85% by Guo Guangchang (郭廣昌) and approximately 15% by Wang Qunbin (汪群斌), each of whom is an Independent Third Party.
- (4) Gaorong Capital is owned by 25 limited partners, none of whom owns more than one-third of the partnership interest. Gaorong Capital (Shenzhen) Investment Management Center (Limited Partnership)* (高榕資本(深圳)投資諮詢中心(有限合伙)) is the general partner of Gaorong Capital, which also owns approximately 0.16% of partnership interests.
- (5) Zhonghe Zhonghui is owned as to 98% by Ningbo Meishan Bonded Port Area United Jiahua San Investment Management Partnership Enterprise (Limited Partnership)* (寧波梅山保稅港區聯合嘉華叁叁投資管理合夥企業 (有限合伙)), which is owned as to approximately 98% by Kashgar Spring Road Cultural Media Co., Ltd* (喀什泉之道文化傳媒有限公司), which in turn is ultimately controlled by Liu Hao (劉昊), an Independent Third Party. Beijing Daka Alliance Investment Management Partnership (Limited Partnership) (北京大咖聯盟投資管理合夥企業(有限合伙)) (“Beijing Daka”) is the general partner of Zhonghe Zhonghui. Each of the foregoing entities is an Independent Third Party.
- (6) Gongqingcheng Shangpeng is directly owned as to 83% by Wu Haiyan (吳海燕) and approximately 17% by Tibet Dazi Zhiyuan Huicai Investment Management Co., Ltd* (西藏達孜致遠匯才投資管理有限公司) (“Tibet Dazi Zhiyuan”), which in turn is owned as to 51% by Wu Haiyan (吳海燕) and 49% by Wang Daoping (王道平), each of whom is an Independent Third Party. Tibet Dazi Zhiyuan is also the general partner of Gongqingcheng Shangpeng.
- (7) Hengqin Chuangrong is a wholly-owned subsidiary of ZEG Investment Co., Ltd (中植投資管理有限公司), which was ultimately wholly owned and controlled by Xie Zhikun (解直錕), an Independent Third Party. To the best knowledge of our Company after due enquiry, Mr. Xie passed away in December 2021 and his estate, including indirect investment in our Company through Hengqin Chuangrong, is currently under the estate settlement process in accordance with applicable PRC laws.
- (8) Digu Investment is owned as to 99.9% by Ms. Sun, and 0.1% by Dr. Zhou. Digu Investment serves as a platform for Ms. Sun to invest in Liangkebang as a financial investor.
- (9) Shitai Point is a limited partnership established in the PRC and is owned as to 72% by Yijin Digital Creations Ltd.* (懿錦數字文創有限公司), which is owned as to 85% by Sichuan Edkaisen Technology Co. Ltd.* (四川埃德凱森科技有限公司) and ultimately owned as to 70% by Li Yuanhe (李遠和) and 30% by Li Qian (李倩), both Independent Third Parties. Lishui Match Point Investment Management Co., Ltd.* (麗水賽點聯盟投資管理有限公司) (“Lishui Match Point”), an Independent Third Party, is the general partner of Shitai Point, which also holds 0.01% of the partnership interest.

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- (10) Fuhai Yichuang is owned by 23 limited partners, none of whom holds more than one-third of the partnership interest. Zhuhai Fuhai Yichuang Venture Capital Fund Management Enterprise (Limited Partnership)* (珠海富海鐮創創業投資基金管理企業(有限合夥)), an Independent Third Party, is the general partner of Fuhai Yichuang.
- (11) Zhiben Suyuan is owned as to approximately 50.00% by Beijing Xinxiangtiandi Capital Investment Partnership (Limited Partnership)* (北京新象天地資本投資合夥企業(有限合夥)) (“**Beijing Xinxiangtiandi**”), 38.89% by Beijing Yunqi Asset Management Consulting Co., Ltd.* (北京雲啟資產管理顧問有限公司) (“**Beijing Yunqi**”) and 11.11% by two other limited partners. Beijing Xinxiangtiandi is held as to 50% by Beijing Xinxiangtiandi Information Technology Co., Ltd.* (北京新象天地信息科技有限責任公司) (which in turn is ultimately held as to 50% by Yu Shan (喻杉) and 50% by Li Fengnian (李鳳年), each an Independent Third Party). The rest of the 50% interests in Beijing Xinxiangtiandi is ultimately controlled by the People’s Government of Xinjiang Uygur Autonomous Region. Beijing Yunqi is owned as to 99% by Jin Xianrong (靳憲榮), an Independent Third Party. Beijing Prophet Capital Investment Management Co., Ltd.* (北京知新資本投資管理有限公司) (“**Beijing Prophet**”) is the general partner of Zhiben Suyuan and is a wholly-owned subsidiary of Beijing Yunqi, and an Independent Third Party.
- (12) Zhiwei Zhizhang is owned by Jiaxing Subentongyuan Equity Investment Fund Partnership (Limited Partnership)* (嘉興溯本同源股權投資基金合夥企業(有限合夥)) (“**Jiaxing Subentongyuan**”) as to approximately 89%. Jiaxing Subentongyuan is in turn held by 24 other limited partners, none of whom holds more than one-third of the partnership interest. The general partner of Zhiwei Zhizhang is Beijing Prophet, an Independent Third Party, which also holds 0.02% of partnership interest. Beijing Prophet is also the general partner of another Liangkebang Shareholder, Zhiben Suyuan. See note (11) for further details.
- (13) Tianyi Point is held by Jiaxing Subentongyuan Phase II Equity Investment Fund Partnership (Limited Partnership)* (嘉興溯本同源二期股權投資基金合夥企業(有限合夥)) (“**Jiaxing Subentongyuan Phase II**”) and Jiaxing Subentongyuan Phase III Equity Investment Fund Partnership (Limited Partnership)* (嘉興溯本同源三期股權投資基金合夥企業(有限合夥)) (“**Jiaxing Subentongyuan Phase III**”), as to approximately 64% and 36%, respectively. Jiaxing Subentongyuan Phase II is in turn held by 30 other limited partners, none of whom holds more than one-third of the partnership interest, while Jiaxing Subentongyuan Phase III is in turn held by 17 other limited partners, none of whom holds more than one-third of the partnership interest. The general partner of Tianyi Point is Lishui Match Point, which is also the general partner of Shitai Point. See note (9) for further details.
- (14) Jiaqing Investment is held by Zhang Weitian (張維田) and Zhang Jiongming (張炯明), each of whom is an Independent Third Party, as to 60% and 40%, respectively. Zhang Jiongming (張炯明) is also a limited partner of Jiangmen Growth, another Liangkebang Shareholder. See note (16) for further details.
- (15) Yadong Xinqi is a wholly-owned subsidiary of Yadong Guangzhi Investment Management Co., Ltd.* (亞東廣智投資管理有限公司), which is ultimately wholly owned by Li Subo (李蘇波), an Independent Third Party.
- (16) Jiangmen Growth is held as to approximately 69% by Zhang Jiongming (張炯明), an Independent Third Party. None of the remaining two limited partners holds more than one-third of the partnership interest in Jiangmen Growth. Jiangmen Capital Management (Beijing) Ltd. (將門投資管理顧問(北京)有限公司), an Independent Third Party, is the general partner of Jiangmen Growth.
- (17) Fengshi Shengmao is held by Lin Feng (林峰) and Zhang Xingzhou (張行周), each of whom is an Independent Third Party, as to 95% and 5%, respectively.
- (18) Meishan FTP Zhongka is owned as to 46.3% by Jiangyin Hailan Venture Capital Co., Ltd.* (江陰海瀾創業投資有限公司), which in turn is held as to 95% by Jiangyin Hailan Investment Holdings Co., Ltd.* (江陰市海瀾投資控股有限公司) whereas none of the shareholders of the company owned more than one-third of the shareholding interests in the company. None of the remaining seven other limited partners of Meishan FTP Zhongka holds more than one-third of the partnership interest. Each of the foregoing entities is an Independent Third Party. Ningbo Meishan FTP Tycoon Alliance Investment Management Co., Ltd. (寧波梅山保稅港區大咖聯盟投資管理有限公司), an Independent Third Party, is the general partner of Meishan FTP Zhongka.

Establishment of Liangzi Data

In November 2014, Liangzi Data was established as a limited liability company in the PRC with an initial registered capital of RMB10 million to provide matching services for our business partners in response to market demand for online marketplaces for consumption in China. Since its establishment and prior to the Reorganization, Liangzi Data had been a wholly-owned subsidiary of Liangkebang.

Establishment of Beijing Quant

With the development of our business, Beijing Quant was established in the PRC on March 28, 2017 as a subsidiary of Liangkebang to focus on providing matching services. The then registered capital of Beijing Quant was RMB10 million. In July 2020, in contemplation to further expand Beijing Quant’s business, Liangkebang transferred

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its entire shareholding interest in Beijing Quant to Liangzi Data for nil consideration as no registered capital has been paid up as of the time of such transfer. Subsequent to such transfer and as of the Latest Practicable Date, Beijing Quant had been a direct wholly-owned subsidiary of Liangzi Data.

Establishment of Quantgroup Technology Singapore and Quantgroup Technology US

In contemplation of our overseas expansion of local consumption apps, we have also established Quantgroup Technology Singapore, a company incorporated in Singapore and a wholly-owned subsidiary of our Company on June 27, 2024, with an issued share capital of US\$10,000, Quantgroup Technology US, a company incorporated in California, the United States, a wholly-owned subsidiary of Quantgroup Technology Singapore on February 28, 2025, with a total authorized amount of share capital of US\$1,000 as a preliminary preparatory step for our future overseas operations.

Other Subsidiaries and Investee Companies

During the Track Record Period, each of Liangzi Data and Beijing Quant held certain equity interests in various companies. As part of the Reorganization, in order to simplify the corporate structure of our Group for the purpose of the [REDACTED], such entities were either de-registered or disposed of to Independent Third Parties. Such companies have either never conducted any businesses during the Track Record Period, or did not align with the overall strategies of our Group.

The following table illustrates key information of the subsidiaries and investee companies which we have disposed of or deregistered during the Track Record Period as part of the Reorganization:

Name of subsidiary/ investee company	Equity interests beneficially owned by Liangzi Data/ Beijing Quant	Principal business of the subsidiary/ investee company	Whether the subsidiary/ investee company was disposed of or de-registered	Date of completion of the relevant disposal/ de-registration	Approximate amount of gain/ (loss) arisen from the disposal (if applicable) (RMB)
Hainan Liangdian Technology Company Limited *(海南量點科技有 限公司)	100% by Beijing Quant	Provision of information transmission, software and information technology services	Disposed of to an Independent Third Party	April 19, 2022	0.4 million
Hainan Liangxun Technology Company Limited *(海南量訊科技有 限公司)	100% by Beijing Quant	No business operation since establishment	De-registered	April 11, 2022	N/A
Hainan Liangneng Technology Company Limited *(海南量能科技有 限公司)	100% by Beijing Quant	No business operation since establishment	Disposed of to an Independent Third Party	January 20, 2022	33,000
Hainan Lianghua Times Technology Company Limited *(海南量化時代科 技有限公司)	51% by Beijing Quant	No business operation since establishment	De-registered	April 28, 2022	N/A

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Name of subsidiary/ investee company	Equity interests beneficially owned by Liangzi Data/ Beijing Quant	Principal business of the subsidiary/ investee company	Whether the subsidiary/ investee company was disposed of or de-registered	Date of completion of the relevant disposal/ de-registration	Approximate amount of gain/ (loss) arisen from the disposal (if applicable) (RMB)
Rongkun (Dalian) Technology Company Limited *(融坤 (大連) 科 技有限公司)	19% by Liangzi Data	Provision of software and information technology services	De-registered	January 17, 2022	N/A
Tancheng Bank	4.96% owned by Liangzi Data	Commercial bank	All equity interests held by Liangzi Data is in the process of being transferred to Tianjin Zimu <i>(Note)</i>	November 30, 2022	Nil

Note: See “Contractual Arrangements – Transfer of investment in Tancheng Bank” for further details.

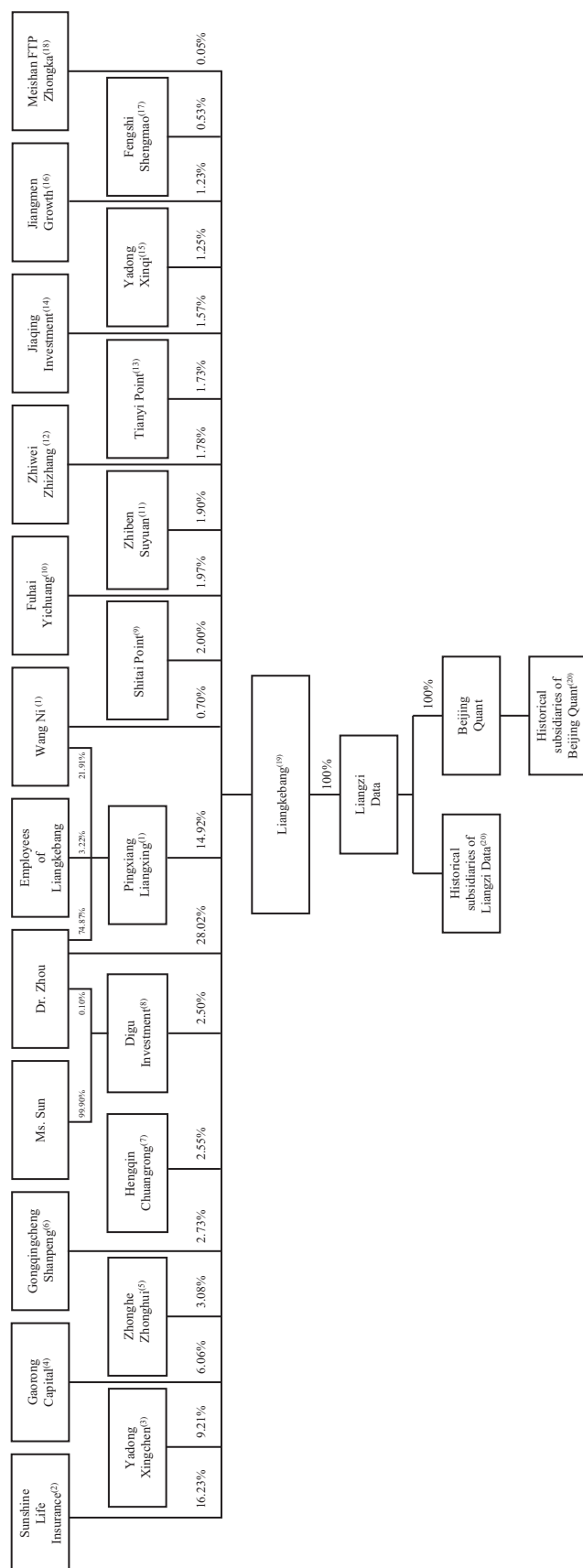
As confirmed by our PRC Legal Advisor, each of the foregoing disposals and de-registrations that were consummated already had been properly and legally completed (with respect to both disposals and de-registrations) and settled (with respect of disposals) on the respective date of completion of the disposals.

From January 1, 2022 to the respective date of de-registration or disposal, none of such entities had been subject to any litigation or material non-compliance, or had incurred losses from operations (if any) that would have caused a material adverse impact on our Group’s business, financial condition or results of operations.

During the Track Record Period, Liangzi Data also owned 4.96% equity interests in Tancheng Bank as financial investment. As advised by our PRC Legal Advisor, the business operated by Tancheng Bank, namely operating as a commercial bank, is not subject to foreign investment prohibition under the Negative List. Hence, for the purpose of the [REDACTED] and to satisfy the “narrowly tailored” requirement for our Contractual Arrangements under the Listing Rules, we decided to dispose of the equity interests in Tancheng Bank. On December 30, 2021, Liangzi Data entered into an equity transfer agreement with Tianjin Zimu, a subsidiary of Liangkebang, pursuant to which Liangzi Data agreed to transfer the equity interests it held to Tianjin Zimu. See “Contractual Arrangements — Our Contractual Arrangements — Transfer of investment in Tancheng Bank” for further details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The following chart sets forth Liangkebang's simplified shareholding structure and key subsidiaries immediately prior to the Reorganization:



Notes:

For notes (1) to (18), see notes under “— Historical shareholding structure of Liangkebang.”

(19) Save for Liangzi Data and Beijing Quant, there were nine other subsidiaries of Liangkebang.

(20) Immediately prior to the Reorganization, such historical subsidiaries of Liangzi Data and Beijing Quant were either disposed to Independent Third Parties or de-registered. See “— Other Subsidiaries and Investee Companies” for further details.

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REORGANIZATION

In anticipation of our [REDACTED], we underwent the Reorganization as described below pursuant to which our Company became the holding company and the [REDACTED] of our Group.

Establishment of Beijing Xitui

In order to achieve clear business delineation between our business and the business conducted by the Retained Liangkebang Group, Beijing Xitui was incorporated for the purpose of acquiring Liangzi Data from Liangkebang which mirrors the immediate shareholding structure of and the financial investments made by the same shareholders in the Historical Liangkebang Group. Beijing Xitui was established in the PRC as a limited liability company on January 12, 2022 and has an initial registered capital of RMB1 million.

At the time of its incorporation, Beijing Xitui’s shareholding structure was as follows:

<u>Name of initial Beijing Xitui Shareholders</u>	<u>Registered capital subscribed by the shareholder (RMB)</u>	<u>Approximate percentage of equity interests</u>
Dr. Zhou	237,162	23.72%
Muxing Shanshi ⁽¹⁾	403,240	40.32%
Jinxing Liliang ⁽²⁾	294,750	29.48%
Digu Investment	23,727	2.37%
Fengsheng Zhongchuang ⁽³⁾⁽⁵⁾	22,121	2.21%
Fengsheng Zhongcheng ⁽⁴⁾⁽⁵⁾	19,000	1.90%
Total	1,000,000	100%

Notes:

- (1) Muxing Shanshi is a limited partnership established in the PRC. It is owned as to 99% by an employee of our Group who is an Independent Third Party (and also the general partner of Muxing Shanshi), and 1% by Mr. Li Yan, our executive Director. Muxing Shanshi has executed a voting rights proxy agreement with effect from January 12, 2022, pursuant to which Muxing Shanshi has appointed Dr. Zhou as its attorney and proxy, conferring its voting power with respect to its shareholding interests in Beijing Xitui upon Dr. Zhou.
- (2) Jinxing Liliang is a limited partnership established in the PRC. It is owned as to 99% by an employee of our Group who is an Independent Third Party (and also the general partner of Jinxing Liliang), and 1% by Hui Ling, our executive Director. Jinxing Liliang has executed a voting rights proxy agreement with effect from January 12, 2022, pursuant to which Jinxing Liliang has appointed Dr. Zhou as its attorney and proxy, conferring its voting power with respect to its shareholding interests in Beijing Xitui upon Dr. Zhou.
- (3) Fengsheng Zhongchuang is a limited partnership established in the PRC. It is owned as to 99% by Mr. Li Yan, our executive Director as the limited partner. Mr. Li Yan also held 99% of the shareholding interests of Beijing Fengsheng Capital Management Co., Ltd.* (北京豐升資本管理有限責任公司) (“Fengsheng Capital”), the general partner of Fengsheng Zhongchuang.
- (4) Fengsheng Zhongcheng is a limited partnership established in the PRC. It is owned as to 99% by Mr. Li Yan, our executive Director as the limited partner. Fengsheng Capital is also the general partner of Fengsheng Zhongcheng.
- (5) Mr. Li Yan has been a consultant on strategic development to the board of directors of Liangzi Data since March 2018. Mr. Li held approximately 4.33% of equity interests in Liangkebang which aligned his interest in the company with other shareholders. At that time, Mr. Li would like to keep a low profile in the public domain. Therefore, Mr. Li entered into a nominee arrangement with Dr. Zhou, pursuant to which it was confirmed that Dr. Zhou shall (i) directly hold approximately 3.05% of the equity interests in Liangkebang and (ii) through Pingxiang Liangxing hold approximately 1.28% of the equity interests in Liangkebang which was granted to Mr. Li under Liangkebang’s then employee share incentive scheme, for the benefit and on behalf of Mr. Li. To reflect Mr. Li’s aggregate interest in Liangkebang, pursuant to an investment cooperation agreement dated January 12, 2022 entered into among Dr. Zhou, Muxing Shanshi, Jinxing Liliang, Digu Investment, Fengsheng Zhongchuang and Fengsheng Zhongcheng, Mr. Li subscribed for 4.11% equity interests in aggregate (on a fully-diluted basis reflecting the increase in the equity interests held by Muxing Shanshi and Jinxing Liliang) in Beijing Xitui through Fengsheng Zhongchuang and Fengsheng Zhongcheng. Our PRC Legal Advisor is of the view that such nominee arrangement does not violate the relevant regulations and laws of the PRC.

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Acquisition of Liangzi Data by Beijing Xitui from Liangkebang

As part of the Reorganization, Beijing Xitui acquired the entire equity interests in Liangzi Data from Liangkebang pursuant to an equity transfer agreement entered into between Liangkebang and Beijing Xitui on March 23, 2022 for a consideration of RMB250 million, which was determined after arm’s length negotiation by the parties with reference to Liangzi Data’s net book value at the time of the transfer. Subsequent to the acquisition, a series of equity transfers were effected among the initial Beijing Xitui Shareholders and the Liangkebang Shareholders so that the equity interests held by the Liangkebang Shareholders (or their affiliates, as the case may be) in Beijing Xitui generally mirror their respective equity interests held in Liangkebang. The slight discrepancies in equity interests held were due to (i) the nominee arrangement entered into by Mr. Li Yan with Dr. Zhou for the equity interests held in Liangkebang (details of which are elaborated in note (5) of “— Establishment of Beijing Xitui”), (ii) two Liangkebang Shareholders (the “**Exiting Liangkebang Shareholders**”), who are Independent Third Parties and held an aggregate of 1.23% equity interests in Liangkebang, not subscribing for the equity interests in Beijing Xitui, where such equity interests were taken up by Muxing Shanshi, and (iii) the dilution by 5% of the equity interests held by each of the Beijing Xitui Shareholders which was due to the establishment of Muxing Shanshi and Jinxing Liliang, and the 5% equity interests taken up by these two employee shareholding platforms in addition to Pingxiang Liangxing’s interests in Liangkebang. The consideration of the acquisition was fully settled on April 29, 2022. Upon completion of the acquisition and the equity transfers, Liangzi Data becomes a direct wholly-owned subsidiary of Beijing Xitui and the shareholding structures of Beijing Xitui and Liangkebang were as follows:

<u>Name of Beijing Xitui Shareholders</u>	<u>Registered capital of Beijing Xitui subscribed by the shareholder (RMB)</u>	<u>Approximate percentage of equity interests in Beijing Xitui ⁽⁸⁾</u>	<u>Name of Liangkebang Shareholder</u>	<u>Approximate percentage of equity interests in Liangkebang ⁽⁸⁾</u>
<i>Founder</i>			<i>Founder</i>	
Dr. Zhou	237,162	23.72%	Dr. Zhou	28.02% ⁽⁴⁾
<i>Financial investors</i>			<i>Financial investors</i>	
Sunshine Life Insurance ⁽¹⁾	154,232	15.42%	Sunshine Life Insurance	16.23%
Yadong Xingchen ⁽¹⁾	87,487	8.75%	Yadong Xingchen	9.21%
Gaorong Capital ⁽²⁾	57,589	5.76%	Gaorong Capital	6.06%
Zhonghe Zhonghui ⁽²⁾	29,258	2.93%	Zhonghe Zhonghui	3.08%
Gongqingcheng Shangpeng ⁽²⁾ ..	25,930	2.59%	Gongqingcheng Shangpeng ...	2.73%
Shanghai Tairong ⁽²⁾⁽³⁾	24,178	2.42%	Hengqin Chuangrong ⁽³⁾	2.55%
Digu Investment	23,727	2.37%	Digu Investment	2.50%
Fengsheng Zhongchuang	22,121	2.21% ⁽⁴⁾	-	—
Fengsheng Zhongcheng	19,000	1.90% ⁽⁴⁾	-	—
Shitai Point ⁽²⁾	18,972	1.90%	Shitai Point	2.00%
Fuhai Yichuang ⁽²⁾	18,725	1.87%	Fuhai Yichuang	1.97%
Zhiben Suyuan ⁽²⁾	18,058	1.81%	Zhiben Suyuan	1.90%
Zhiwei Zhizhang ⁽²⁾	16,951	1.70%	Zhiwei Zhizhang	1.78%
Tianyi Point ⁽²⁾	16,471	1.65%	Tianyi Point	1.73%
Jiaqing Investment ⁽²⁾	14,928	1.49%	Jiaqing Investment	1.57%
Yadong Xinqi ⁽¹⁾	11,858	1.19%	Yadong Xinqi	1.25%
Jiangmen Growth ⁽²⁾	11,703	1.17%	Jiangmen Growth	1.23%
Shanghai Chuyuan ⁽²⁾⁽⁵⁾	477	0.05%	Meishan FTP Zhongka ⁽⁵⁾	0.05%
<i>Employee shareholding platforms</i>			<i>Employee shareholding platform</i>	
Muxing Shanshi ⁽⁶⁾	150,000	15.00% ⁽⁹⁾	Pingxiang Liangxing ⁽⁹⁾	14.92% ⁽⁹⁾

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Name of Beijing Xitui Shareholders	Registered capital of Beijing Xitui subscribed by the shareholder (RMB)	Approximate percentage of equity interests in Beijing Xitui ⁽⁸⁾	Name of Liangkebang Shareholder	Approximate percentage of equity interests in Liangkebang ⁽⁸⁾
Jinxing Liliang ⁽⁷⁾	41,173	4.12% ⁽⁹⁾	-	—
-	—	—	<i>Exiting Liangkebang Shareholders</i>	1.23 ⁽⁹⁾
Total	100,000	100%		100%

Notes:

- (1) The equity interests held by the relevant shareholder were transferred from Jinxing Liliang pursuant to an equity transfer agreement dated March 23, 2022.
- (2) The equity interests held by the relevant shareholder were transferred from Muxing Shanshi pursuant to an equity transfer agreement dated March 23, 2022.
- (3) Shanghai Tairong Haoyuan Enterprise Management Partnership (Limited Partnership)* (上海泰融浩源企業管理合夥企業(有限合夥)) is a limited partnership established in the PRC and ultimately held as to 100% by ZEG Investment Co., Ltd (中植投資管理有限公司), the holding company of Hengqin Chuangrong, a Liangkebang Shareholder. See note (7) of “ — Historical shareholding structure of Liangkebang” for further details.
- (4) An aggregate of 4.33% equity interests in Liangkebang was held by Dr. Zhou and Pingxiang Liangxing for the benefit and on behalf of Mr. Li Yan, our executive Director and chief strategic officer, pursuant to a nominee arrangement. To reflect Mr. Li’s equity interests held in Liangkebang, Mr. Li subscribed for an aggregate of 4.11% (on a fully-diluted basis reflecting the increase in the equity interests held by Muxing Shanshi and Jinxing Liliang) in Beijing Xitui through Fengsheng Zhongchuang and Fengsheng Zhongcheng. See note (5) of “ — Establishment of Beijing Xitui” for further details.
- (5) Shanghai Chuyuan is held as to 99.9% by Meishan FTP Zhongka, a Liangkebang Shareholder. See note (18) of “ — Historical shareholding structure of Liangkebang” for further details.
- (6) Muxing Shanshi is an onshore employee shareholding platform established by the Company. See also note (1) of “ — Establishment of Beijing Xitui” for further details.
- (7) Jinxing Liliang is an onshore employee shareholding platform established by the Company. See also note (2) of “ — Establishment of Beijing Xitui” for further details.
- (8) The equity interests in Beijing Xitui held by the relevant Beijing Xitui Shareholders were diluted on a pro rata basis to reflect the increase in equity interests held by Muxing Shanshi and Jinxing Liliang.
- (9) The aggregate 19.12% equity interests held by Muxing Shanshi and Jinxing Liliang, our employee shareholding platforms, reflected (i) Pingxiang Liangxing’s shareholding interest in Liangkebang, with (ii) the equity interests held by the Exiting Liangkebang Shareholders in Liangkebang and (iii) the decreased equity interests by other Beijing Xitui Shareholders on a pro rata basis.

Establishment of our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on March 31, 2022 to become the holding company of our Group. The authorized share capital of our Company was US\$50,000, which was initially divided into 500,000,000 Shares with par value of US\$0.0001 each on the date of incorporation.

Allotment and Issuance of Shares to Beijing Xitui Shareholders

In contemplation of the [REDACTED] and to reflect the onshore shareholding structure, our Company (among others) has entered into an investment agreement with the Beijing Xitui Shareholders or their SPVs on May 9, 2022, pursuant to which, our Company allotted to the Beijing Xitui Shareholders or their SPVs, and such Beijing Xitui Shareholders or their SPVs subscribed for 262,908,500 series A preferred shares (the “**Investor Shareholders**”) in aggregate in proportion to their respective, shareholding interests in Beijing Xitui, with a par

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value of US\$0.0001 each, at par. The issue of Shares was completed on June 23, 2022. Upon completion of the share allotments and subscriptions, the shareholding structure of our Company was as set forth in the following table:

<u>Name of Shareholders</u>	<u>Number of Shares held</u>	<u>Consideration (US\$)</u>	<u>Approximate percentage of shareholding interests</u>
<i>Ordinary Shares</i>			
<i>Entity controlled by Dr. Zhou</i>			
Mars Legend Limited	118,581,000	11,858.10	23.72%
<i>Employee shareholding platforms</i>			
Jupiter Rock ⁽¹⁾	75,000,000	7,500.00	15.00%
Venus Energy ⁽¹⁾	20,586,500	2,058.65	4.12%
<i>Investor Shareholders</i>			
Mercury Valley ⁽²⁾	11,863,500	1,186.35	2.37%
Saturn Storm ⁽³⁾	11,060,500	1,106.05	2.21%
<i>Series A Preferred Shares⁽⁴⁾</i>			
<i>Investor Shareholders</i>			
Sunshine Life Insurance ⁽⁵⁾	77,116,000	7,711.60	15.42%
East Asia Star Investment (BVI) Limited ⁽⁶⁾	49,672,500	4,967.25	9.93%
Gaorong QTG Holding Limited ⁽⁷⁾	28,794,500	2,879.45	5.76%
Shanghai Super Star Venture Capital Partners (Limited Partnership) ⁽⁸⁾	14,629,000	1,462.90	2.93%
CGC Enterprises Limited ⁽⁹⁾	12,965,000	1,296.50	2.59%
Taironghaoyuan Limited ⁽¹⁰⁾	12,089,000	1,208.90	2.42%
Saturn Storm ⁽³⁾	9,500,000	950.00	1.90%
Shitai Point ⁽⁵⁾	9,486,000	948.60	1.90%
Fuhai Yichuang ⁽⁵⁾	9,362,500	936.25	1.87%
Suyuan Limited ⁽¹¹⁾	9,029,000	902.90	1.81%
Zhiwei Zhizhang ⁽⁵⁾	8,475,500	847.55	1.70%
Tianyi Point ⁽⁵⁾	8,235,500	823.55	1.65%
Jiaqing Investment ⁽⁵⁾	7,464,000	746.40	1.49%
Jiangmen Growth ⁽⁵⁾	5,851,500	585.15	1.17%
Shanghai Chuyuan ⁽¹²⁾	238,500	23.85	0.05%
Total	500,000,000	50,000	100%

Notes:

- (1) Jupiter Rock and Venus Energy, each an offshore employee shareholding platform established by the Company, has entered into the Voting Proxy Arrangement, pursuant to which Dr. Zhou was entitled to exercise the voting power associated with the Shares held by Jupiter Rock and Venus Energy, respectively. Immediately after the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Zhou will cease to exercise any voting power associated with the Shares held by Jupiter Rock and Venus Energy associated with the unvested RSUs. While the Trustee will be responsible for the administration of Jupiter Rock and Venus Energy, the Trustee is not entitled to exercise the voting rights attached to the Shares held by Jupiter Rock and Venus Energy pursuant to the relevant trust deed and the RSU Schemes. Hence, the voting rights attached to the Shares held by Jupiter Rock and Venus Energy will not be exercised until the relevant RSUs associated with such Shares are vested. Upon vesting of RSUs, the voting rights associated with the underlying Shares will be exercised by the relevant grantees to whom the RSUs associated with such Shares are granted. As of the Latest Practicable Date, no RSUs has been vested.
- (2) Mercury Valley is ultimately owned as to 100% by Ms. Sun and is the affiliate used by Digu Investment, a Beijing Xitui Shareholder, for subscribing the Shares. See note (8) of “ — Historical shareholding structure of Liangkebang” for further details.
- (3) Saturn Storm is ultimately owned as to 100% by Mr. Li Yan, our executive Director, and is the affiliate used by Fengsheng Zhongchuang and Fengsheng Zhongcheng, both Beijing Xitui Shareholders, for subscribing the Shares. See note (3) and note (4) of “ — Establishment of Beijing Xitui” for further details. Saturn Storm is regarded as an Investor Shareholder solely for the series A preferred shares it held.

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- (4) Upon completion of the [REDACTED], each series A preferred share will be automatically converted into one Share.
- (5) The relevant Shareholder is also a Beijing Xitui Shareholder. See notes of “ — Historical shareholding structure of Liangkebang” and “ — Establishment of Beijing Xitui” for further details.
- (6) East Asia Star Investment (BVI) Limited (“**East Asia Star**”) is a limited company incorporated in the BVI. It is wholly owned by Fosun Holdings Limited. East Asia Star was designated by Yadong Xingchen and Yadong Xinqi to hold an aggregate of 9.94% of shareholding interests in the Company, which reflected the 8.75% and 1.19% equity interests held by Yadong Xingchen and Yadong Xinqi, each a Liangkebang Shareholder, in Beijing Xitui, respectively. The shareholding interests held by East Asia Star in our Company and the equity interests held by Yadong Xingchen and Yadong Xinqi in Beijing Xitui are managed by the same team of management. See notes (3) and (15) of “ — Historical shareholding structure of Liangkebang” for further details.
- (7) Gaorong QTG Holding Limited (“**Gaorong QTG**”) is a limited company incorporated in the BVI. Gaorong QTG is a wholly-owned subsidiary of Gaorong Capital, a Beijing Xitui Shareholder. See note (4) of “ — Historical Shareholding Structure of Liangkebang” for further details.
- (8) Shanghai Super Star Venture Capital Partners (Limited Partnership)* (上海大咖投資管理合夥企業(有限合夥)) is a limited partnership established in the PRC and is owned as to 99.9% by Zhonghe Zhonghui, a Beijing Xitui Shareholder. Its general partner is Beijing Daka, which is also the general partner of Zhonghe Zhonghui. See note (5) of “ — Historical shareholding structure of Liangkebang” for further details.
- (9) CGC Enterprises Limited (“**CGC Enterprises**”) is a limited company incorporated in BVI and is wholly owned by Chen Dafei (陳達飛), an Independent Third Party. CGC Enterprises and Gongqingcheng Shangpeng, a Beijing Xitui Shareholder, are affiliated with the same entity. See note (6) of “ — Historical shareholding structure of Liangkebang” for further details.
- (10) Taironghaoyuan Limited (“**Taironghaoyuan**”) is a limited company incorporated in the BVI. Taironghaoyuan is the wholly-owned subsidiary of Shanghai Tairong Haoyuan Enterprise Management Partnership (Limited Partnership)* (上海泰融浩源企業管理合夥企業(有限合夥)), a Beijing Xitui Shareholder. See note (7) of “ — Historical shareholding structure of Liangkebang” and note (3) of “ — Acquisition of Liangzi Data by Beijing Xitui from Liangkebang” for further details.
- (11) Suyuan Limited (“**Suyuan**”) is a limited company incorporated in the BVI. Suyuan is the wholly-owned subsidiary of Zhiben Suyuan, a Beijing Xitui Shareholder. See note (11) of “ — Historical shareholding structure of Liangkebang” for further details.
- (12) Shanghai Chuyuan is a Beijing Xitui Shareholder. See note (18) of “ — Historical shareholding structure of Liangkebang” and note (5) of “ — Acquisition of Liangzi Data by Beijing Xitui from Liangkebang” for further details.

Establishment of Quantgroup Technology HK

Quantgroup Technology HK was established in Hong Kong SAR as a limited liability company on April 20, 2022 with an issued share capital of HK\$1.00 and is wholly owned by our Company. Quantgroup Technology HK was established as an intermediate holding company.

Establishment of Hangzhou Quant Technology

Hangzhou Quant Technology was established in the PRC as a wholly-foreign owned enterprise on May 5, 2022 with a registered capital of US\$200,000, which was entirely subscribed by Quantgroup Technology HK. Hangzhou Quant Technology was established as an intermediate holding company and is a wholly-owned subsidiary of Quantgroup Technology HK.

Establishment of Project Companies

In contemplation of our business collaborations to establish proprietary local consumption apps, we have established Huijucheng Technology and Hainan Quant, each of which is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the WFOE. Huijucheng Technology was incorporated on May 30, 2022 with a registered capital of RMB1 million and Hainan Quant was incorporated on June 28, 2023 with a registered capital of RMB1 million. Our PRC Legal Advisor is of the view that the current and planned business activities of Huijucheng Technology and Hainan Quant do not trigger any licensing requirements that would fall under the prohibited or restricted category under the Negative List.

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Contractual Arrangements

On May 20, 2022, the WFOE entered into various agreements (which have been further amended and restated on August 18, 2022 and March 10, 2023) that constitute the Contractual Arrangements with Beijing Xitui, Liangzi Data (including its subsidiaries), under which we are able to exercise effective control over Liangzi Data and all economic benefits arising from the businesses of our Consolidated Affiliated Entities (namely Liangzi Data and its wholly-owned subsidiary, Beijing Quant) are transferred to the WFOE to the extent permitted under PRC laws by means of services fees payable by Liangzi Data to the WFOE. See “Contractual Arrangements” for details.

Prior to the Reorganization, the controlling interests in the Consolidated Affiliated Entities were held by Dr. Zhou through a similar set of contractual arrangements (the “**Previous Contractual Arrangements**”) entered into, among others, Quant Group Limited, a company incorporated in the Cayman Islands, being the ultimate offshore holding company of the Historical Liangkebang Group, and Liangkebang, where Quant Group Limited obtained operation control over and derive economic benefits from the Consolidated Affiliated Entities.

As part of the Reorganization, Beijing Xitui acquired the entire equity interest in Liangzi Data from Liangkebang in March 2022. See “— Acquisition of Liangzi data by Beijing Xitui from Liangkebang.” Therefore, Dr. Zhou, holding 42.83% of the voting power at Beijing Xitui’s shareholders’ meeting, had been indirectly holding a controlling equity interest in the Consolidated Affiliated Entities starting from the date of the acquisition of Liangzi Data by Beijing Xitui from Liangkebang.

After the implementation of the Contractual Arrangements, Dr. Zhou, as one of the members of our group of Controlling Shareholders, had been indirectly holding the controlling interests in Liangzi Data and Beijing Quant. See “Relationship with our Controlling Shareholders” for further details.

Hence, during the Track Record Period, Dr. Zhou had obtained control of the Consolidated Affiliated Entities through his controlling interest in Quant Group Limited pursuant to the Previous Contractual Arrangements, then through his interests in Beijing Xitui following the acquisition of Liangzi Data by Beijing Xitui, and subsequent to the completion of the Reorganization, through his controlling interest in our Company pursuant to the Contractual Arrangements.

PREVIOUS LISTING ATTEMPT BY LIANGKEBANG

In September 2017, the Historical Liangkebang Group considered the possibility of an initial public offering in the U.S. (the “**Attempted U.S. Listing**”). The Historical Liangkebang Group submitted the application documents on a confidential basis, including a draft registration statement (the “**Registration Statement**”), to the SEC for its review. During the SEC’s review process, we have received several rounds of comments from the SEC (the “**SEC Comments**”) that were mostly clarificatory and/or disclosure comments relating to (i) the operation or financial performance, risks, regulatory or industry environment, and third parties, involved in the Historical Liangkebang Group’s businesses which was not carried out by our Group, namely, the provision of consumer loans to end customers in China and relevant ancillary services such as loan collection and management services, (ii) the corporate structure and the then shareholding structure of the Historical Liangkebang Group, and (iii) treatment or categorization of certain accounting items adopted by the then reporting accountants of Historical Liangkebang Group engaged for the purpose of the Attempted U.S. Listing (the “**U.S. Listing Attempt Reporting Accountants**”). The Historical Liangkebang Group resolved the SEC Comments by (i) explaining or clarifying to the SEC in its responses to the SEC comments, (ii) adding disclosures in its Registration Statement as the SEC requested, and (iii) revising or restructuring certain disclosure in its Registration Statement for clearer presentation. The last round of the SEC Comments involved

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only three clarification comments relating to the treatments of certain accounting items that were adopted by the U.S. Listing Attempt Reporting Accountants in relation to the Historical Liangkebang Group’s business when preparing the financial statements disclosed in the Registration Statement. Namely, the SEC requested for (i) a further elaboration on the revenue recognition method for the Historical Liangkebang Group’s revenue generated from its loan facilitation services (which our Group does not provide), (ii) a clarification on the basis of accounting of borrowers’ credit risks relating to the quality compensation services provided by the Historical Liangkebang Group to its institutional funding partners (which our Group does not provide) and (iii) a clarification on the guarantee obligation borne by the Historical Liangkebang Group (and if applicable, the basis of accounting of such guarantee obligation) in connection with the provision of quality compensation services. The Historical Liangkebang Group had no material difficulty in resolving the SEC Comments at that time. Based on the information and representation given by the Company and the Directors, and the due diligence steps undertaken by the Joint Sponsors, including (i) conducting interviews with the legal counsels of the Historical Liangkebang Group in connection with the Attempted U.S. Listing; (ii) conducting discussions with the representative from the management team of the Company who participated in the Attempted U.S. Listing; (iii) reviewing the listing application documents, including the draft Registration Statement in relation to the Attempted U.S. Listing; (iv) reviewing the SEC Comments and responses submitted by the Historical Liangkebang Group; and (v) reviewing publicly available information relating to the Attempted U.S. Listing, nothing has come to the Joint Sponsors’ attention which cause them to cast doubt on the Directors’ views that the last round of SEC Comments were clarification comments relating to the treatments of certain accounting items that were adopted by the U.S. Listing Attempt Reporting Accountants in relation to the Historical Liangkebang Group’s business when preparing the financial statements, which (1) were not applicable or relevant to the Group’s operation or its application for [REDACTED]; and (2) the Historical Liangkebang Group had no material difficulty in addressing such SEC Comments at the time.

However, later in December 2017, having considered the unfavorable market conditions in the U.S. surrounding the Attempted U.S. Listing, the Historical Liangkebang Group decided to suspend the Attempted U.S. Listing and did not respond to the last round of the SEC comments. Our Directors are of the view that the SEC Comments were not indicative of our Group’s operations and performance given that the Registration Statement and documents prepared in the Attempted U.S. Listing were based on the operations and performance of the Historical Liangkebang Group (which included the Retained Liangkebang Group) with a track record period being the two years ended December 31, 2016 and the six months ended June 30, 2017, while this application for the [REDACTED] is based on the operations and performance of our Group (excluding the Retained Liangkebang Group) during the Track Record Period and the period thereafter. For the Attempted U.S. Listing, the Registration Statement has not been published on the SEC’s website.

Save for Commerce & Finance Law Offices which had acted as the Historical Liangkebang Group’s company legal advisor as to PRC law for the Attempted U.S. Listing, none of the professional parties engaged by the Historical Liangkebang Group for the Attempted U.S. Listing had been engaged by our Group for the [REDACTED]. Having taken into account (i) the timing of the application for the [REDACTED], (ii) the stock exchange for which the [REDACTED] is sought and (iii) our Group’s business and operations (which are substantially different from the principal business and operations of the Historical Liangkebang Group), we have engaged the current professional parties based on their merits and experiences which we consider are best suited for our Group’s application for the [REDACTED]. There was no material dispute or disagreement between the Group and the SEC or other professional parties involved in the Attempted U.S. Listing. Our Directors are not aware of any matters in relation to the Attempted U.S. Listing that would affect our Group’s suitability for the [REDACTED] or any other matters relating to the Attempted U.S. Listing that should be brought to the attention of the Stock Exchange. Based on the information and representation given by the Company and the Directors, and the due diligence steps undertaken by the Joint Sponsors as set out above, the Joint Sponsors concur with the Directors’ foregoing view

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and are not aware of any matters in relation to the Attempted U.S. Listing that would affect the Group’s suitability for [REDACTED] or need to be brought to the attention of the regulators.

COMPLIANCE WITH PRC LAWS AND REGULATIONS

Our PRC Legal Advisor confirmed that all necessary filings and regulatory approvals in respect of the Reorganization have been obtained and are valid as of the Latest Practicable Date or made in accordance with relevant PRC laws and regulations in all material aspects regarding our Reorganization steps conducted in the PRC.

RSU SCHEMES

Our Company adopted the RSU Schemes by way of resolutions of the Board on April 26, 2022 to incentivize the existing and incoming directors, senior management and employees for their contribution to our Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

On May 9, 2022, our Company resolved to issue and allot 75,000,000 and 20,586,500 Shares, representing approximately 15% and 4.12% of the issued share capital of the Company, to Jupiter Rock and Venus Energy, respectively, which held Shares underlying the RSUs granted or to be granted to certain Directors, senior management and other employees pursuant to the RSU Schemes. On March 6, 2023, Jupiter Rock transferred 39,132,354 Shares, representing 7.83% of the issued share capital of the Company as of the Latest Practicable Date back to Mars Legend in correspondence with the equity interest in the Company originally contributed by Dr. Zhou himself for share incentive purpose. All RSUs associated with the Shares held by Jupiter Rock and Venus Energy, representing approximately 11.29% of the issued Shares as at the Latest Practicable Date, all RSUs had been granted to the participants of the 2022 RSU Scheme I and 2022 RSU Scheme II prior to the [REDACTED]. See “Appendix IV — Statutory and General Information — D. RSU Schemes” in this document for further details.

A summary of the principal terms of the RSU Schemes is set out in the section headed “Appendix IV — Statutory and General Information — D. RSU Schemes” in this document.

NO [REDACTED] INVESTMENT

Historically, financial investments were made at the Liangkebang level in the Historical Liangkebang Group on a combined business basis. Hence, such financial investments were not comparable to [REDACTED] investments made to our Group within the meanings of the Listing Rules. The financial investments made by the Investor Shareholders to the Historical Liangkebang Group were reflected by their respective registered capital held in Beijing Xitui and the Shares subscribed in our Company, which are in proportion to their respective interests held in Liangkebang. See “ — Acquisition of Liangzi Data by Beijing Xitui from Liangkebang” and “ — Allotment and Issuance of Shares to Beijing Xitui Shareholders” for further details.

The Company, certain members of our Group and each of our Shareholders have entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”) on May 9, 2022 which mirrors the shareholders’ agreement entered into among Liangkebang and the Liangkebang Shareholders. Pursuant to the Shareholders’ Agreement, the Investor Shareholders were granted certain special rights, namely (a) director nomination rights, (b) redemption rights, (c) right of first refusal, (d) co-sale rights, (e) pre-emption rights and (f) liquidation preference rights. Special right (a) has been terminated upon submission of the application for this [REDACTED], whereas special rights (c) to (f) will terminate with effect upon [REDACTED]. The redemption rights under (b) have also been terminated, save for under the circumstance where the Company had failed to consummate the qualified [REDACTED] under the Shareholders’ Agreement where such right will terminate with effect upon the [REDACTED].

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[REDACTED] AND [REDACTED]

Upon completion of the [REDACTED], the Shares held by certain of our Shareholders namely, Mars Legend, Jupiter Rock, Venus Energy, Saturn Storm, Mercury Valley and Sunshine Life Insurance in which our core connected persons are interested in approximately [[REDACTED]]%, [[REDACTED]]%, [[REDACTED]]%, [[REDACTED]]%, [[REDACTED]]% and [15.02]%, respectively, representing an aggregate of approximately [63.06]% of our issued Shares (assuming the [REDACTED] is not exercised) will not count towards part of the [REDACTED] pursuant to Rule 8.24 of the Listing Rules.

Save as provided above, upon completion of the [REDACTED], other existing Shareholders shall not be considered as a core connected person of our Company and accordingly in aggregate approximately [36.94%] of our issued Shares (assuming the [REDACTED] is not exercised) held by such existing Shareholders will count towards part of the [REDACTED] pursuant to Rule 8.24 of the Listing Rules. Based on the minimum [REDACTED] of HK\$[[REDACTED]] per [REDACTED], the Company is expected to satisfy the [REDACTED] requirement under Rule 8.08A of the Listing Rules.

PRC REGULATORY REQUIREMENTS

M&A Rules

According to the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “M&A Rules”) jointly promulgated by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (1) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (2) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (3) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (4) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign-invested enterprise. The M&A Rules stipulate that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares or equity interest in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Advisor is of the opinion that prior CSRC approval for this offering and Reorganization is not required under the M&A Rules because (i) our wholly foreign-owned PRC subsidiary was not established through a merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules that are the beneficial owners of our Company, and (ii) no provision in the M&A Rules clearly classifies contractual arrangements as a type of transaction subject to the M&A Rules. However, our PRC Legal Advisor further advises that how the M&A Rules will be implemented is subject to further clarification.

SAFE Circular 37

Pursuant to the Circular of the SAFE on Concerning Relevant Issues on the Foreign Exchange Administration of Offshore Investing and Financing and Round-Trip Investing by Domestic Residents through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “SAFE Circular No. 37”), promulgated by SAFE and which became effective on July 4, 2014, and which replaced the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Corporate Financing and Roundtrip Investment Through Offshore Special Purpose Vehicles

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(《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》), (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be restricted from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

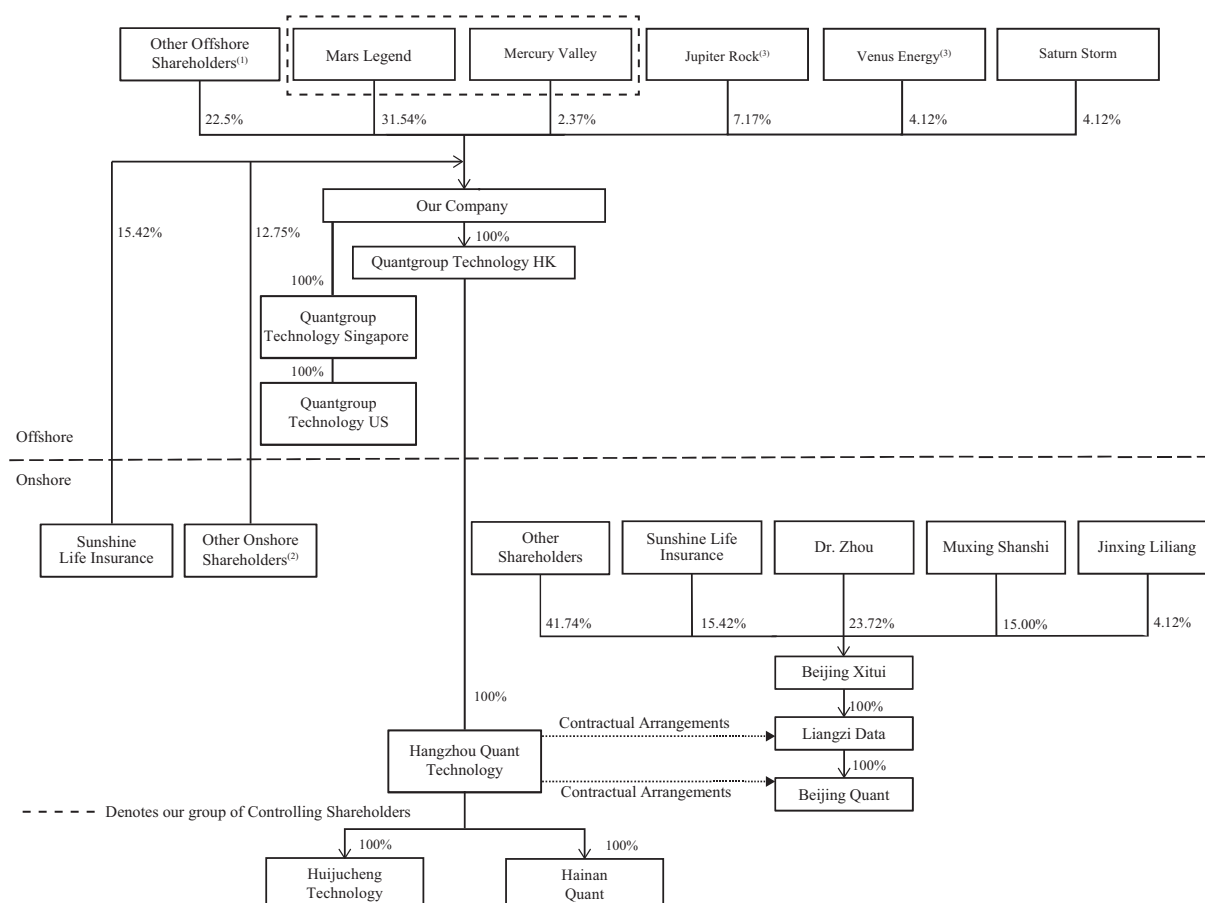
Pursuant to the Notice of the SAFE on Simplifying and Improving the Foreign Currency Management Policy on Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the “**SAFE Circular No. 13**”), promulgated by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE branch to local banks where the assets or interests in the domestic entity are located.

As of the Latest Practicable Date and as advised by our PRC Legal Advisor, Dr. Zhou, Ms. Sun and Mr. Li Yan, each being a PRC resident, have respectively completed their initial foreign exchange registration of overseas investments as required under the SAFE Circular No. 13 and the SAFE Circular No. 37.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth the simplified corporate and shareholding structure of our Group as at the Latest Practicable Date:



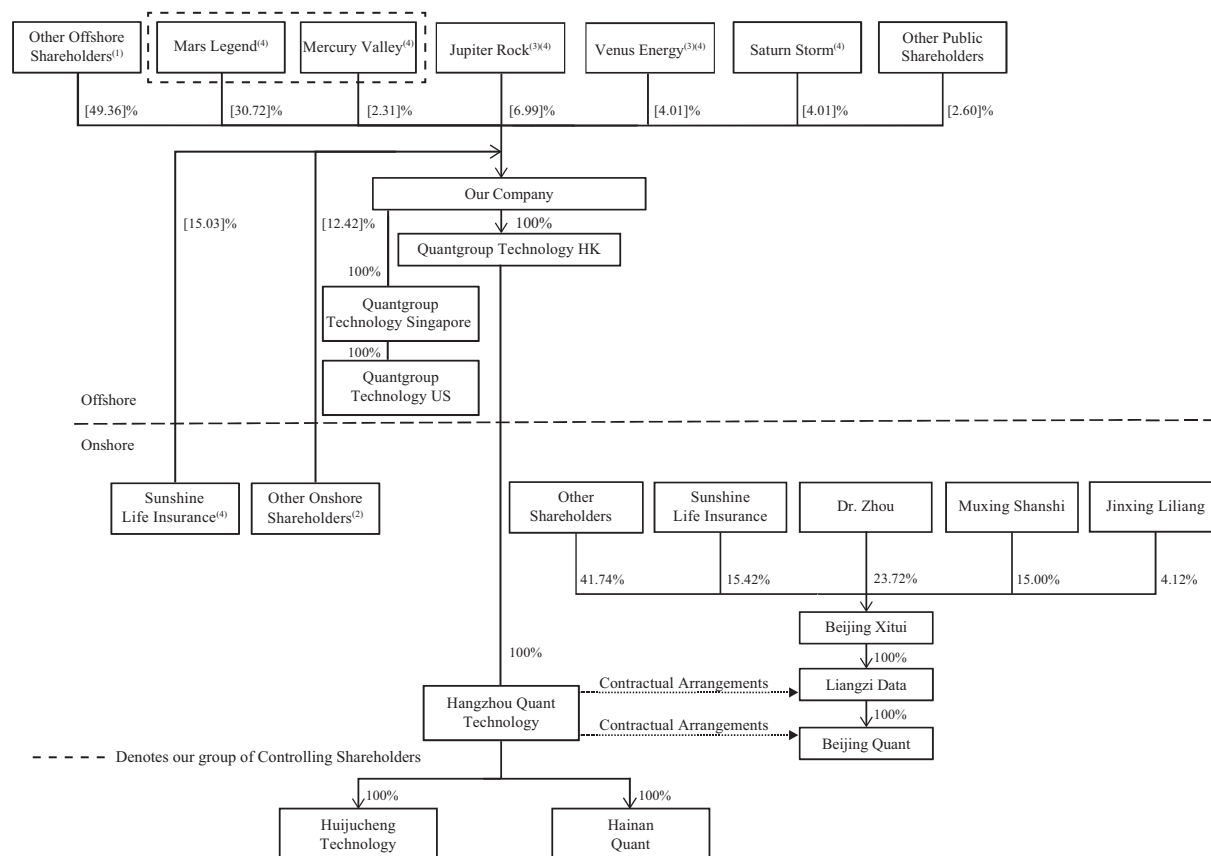
Notes:

- (1) Each of the relevant Shareholder is an offshore SPV affiliated with or designated by a Beijing Xitui Shareholder, namely, Mercury Valley, Saturn Storm, East Asia Star, Gaorong QTG, CGC Enterprises, Taironghaoyuan and Suyuan. Save for Mercury Valley and Saturn Storm in which our core connected persons are interested in, the Shares held by all such other offshore Shareholders will be counted towards [REDACTED] upon completion of the [REDACTED]. See “ — Allotment and Issuance of Shares to Beijing Xitui Shareholders” and “ — [REDACTED] and [REDACTED]” for further details.
- (2) Each of the relevant Shareholder is either a Beijing Xitui Shareholder or an affiliated company of a Beijing Xitui Shareholder, namely, Shanghai Super Star Venture Capital Partners (Limited Partnership), Shitai Point, Fuhai Yichuang, Zhiwei Zhizhang, Tianyi Point, Jiaqing Investment, Jiangmen Growth and Shanghai Chuyuan. As none of our connected persons are interested in such other onshore Shareholders, the Shares held by all such other onshore Shareholders will be counted towards [REDACTED] upon completion of the [REDACTED]. See “ — Allotment and Issuance of Shares to Beijing Xitui Shareholders” and “ — [REDACTED] and [REDACTED]” for further details.
- (3) The participants of the 2022 RSU Scheme I and the 2022 RSU Scheme II include Directors and senior management of the Company who are core connected persons of the Company. As such, each of Jupiter Rock and Venus Energy is a core connected person of the Company and the underlying Shares associated with the RSUs held by Jupiter Rock pursuant to the 2022 RSU Scheme I and the underlying Shares associated with the RSUs held by Venus Energy pursuant to the 2022 RSU Scheme II will not be counted as part of the [REDACTED] of the Company for the purposes of the Rules 8.08 and 8.24 of the Listing Rules.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED] (ASSUMING [REDACTED] IS NOT EXERCISED)

The following chart sets forth the simplified corporate and shareholding structure of our Group immediately following the completion of the [REDACTED], assuming the [REDACTED] is not exercised.



Notes:

See “— Our Structure Immediately Prior to the [REDACTED]” for notes (1) to (3).

(4) Each of Mars Legend, Mercury Valley, Jupiter Rock, Venus Energy, Saturn Storm and Sunshine Life Insurance is a core connected person of our Company, and the Shares held by each of them shall not be counted towards the [REDACTED] pursuant to Rule 8.24 of the Listing Rules upon the completion of the [REDACTED] (and assuming the [REDACTED] is not exercised).

BUSINESS

OVERVIEW

We are an operator of online marketplaces devoted to the consumption sector in China. Our consumer E-commerce platform, Yangxiaomie (羊小咩), carries a wide spectrum of retail goods ranging from consumer electronics, food and beverages, home appliances, cosmetics, jewelry to clothing and personal daily care provided by third-party marketplace suppliers, and matches such consumer goods with our Yangxiaomie Users through online purchases since November 2020. We also operate an automobile retail O2O platform, Consumption Guide (消費地圖) since April 2022, which predominantly collaborates with automobile retailers by attracting online traffic to purchase automobiles offline at the brick-and-mortar stores of the automobile retailers and, to a lesser extent, Consumption Guide also allows online purchase of automobiles by consumers. To a much lesser extent, we also assisted our business partners to place advertisements both online through our online marketplaces and offline. We regard (i) the marketplace suppliers on Yangxiaomie, comprising merchandise suppliers and POP store operators, and (ii) the marketplace suppliers on Consumption Guide, comprising automobile retailers and, during the Track Record Period, both automobile retailers and merchants of local lifestyle goods and services, as our business partners.

During the Track Record Period, we also provided matching services for financial institutions through Yangxiaomie where we matched financial institutions with end borrowers that meet the financial institutions’ target customer criteria for their financing services. As of September 12, 2024, we have ceased all then existing agreements with the financial institutions in connection with matching service and since then no longer generate any revenue thereunder. As a transitional arrangement, from September 12, 2024 to January 15, 2025 following the foregoing cessation, we allowed the Yangxiaomie Users to continue accessing financial institutions through H5 redirections embedded on Yangxiaomie to check and manage their existing loans. On January 16, 2025, we discontinued H5 redirections embedded on Yangxiaomie such that potential end customers cannot initiate or manage transactions with financial institutions through Yangxiaomie. As of such date, we have ceased the provision of matching services to financial institutions (or loan facilitation and traffic diversion services), and have undertaken to the relevant financial regulatory authority in Mainland China that we will not conduct such business in the future.

Market demand for online marketplaces

Online marketplaces for consumption refer to online platforms that provide matching services between goods or services and end consumers in consumption-related industries, including E-commerce and O2O purchase of goods and services. Consumer E-commerce online marketplaces refer to online platforms that provide consumers with goods transactions, backed by core functionalities including product display, online payment, order processing, and logistics delivery, and in Yangxiaomie’s case, where our marketplace suppliers can display the products online and sell them directly to the Yangxiaomie Users. Consumer retail O2O online platforms refer to online marketplaces that integrate online sales channels with offline store visits, converting online traffic into offline purchase of goods or services, and in Consumption Guide’s case, where automobile retailers could display the automobiles online for traffic conversion to offline visits and purchases. According to Frost & Sullivan, the market size of online marketplace for consumption in China in terms of GMV increased from RMB13.9 trillion in 2020 to RMB 25.7 trillion in 2024, with a CAGR of 16.5% during the period, and the share of China’s market of online marketplace for consumption in China’s total retail market reached 36.9% in 2024. Such rapid growth, according to Frost & Sullivan, was mainly attributable to the development of innovative technology including big data, cloud computing, and AI, the increasing diversification of consumer demands, as well as favorable governmental policy environment. Further, according to Frost & Sullivan, the market size is expected to grow to RMB 29.1 trillion in 2025 and eventually to RMB 41.2 trillion in 2029, with a CAGR of 9.1% during such period, and its market share in China’s total retail market is expected to further increase to higher than 40% during such period. For details relating to the key growth drivers and development trends of online marketplaces for consumption in China, please refer to the section headed “Industry Overview — Market Analysis of Online Marketplace for Consumption in China”.

BUSINESS

Leveraging the large market demand, the ARPU of Yangxiaomie Users for goods facilitated through Yangxiaomie, which is calculated by dividing the transaction value by the number of paying users, was RMB10,330, RMB14,813, RMB21,296 and RMB25,622 for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. The ARPU of Yangxiaomie is significantly higher than market average and comparable with that of the top e-commerce platforms. According to Frost & Sullivan, the average ARPU for four top e-commerce platforms was RMB6,328 for the year ended December 31, 2024. The Average MAU of Yangxiaomie, which is calculated as the average figure over a year of the number of Yangxiaomie Users who visit our online marketplaces at least once within a month, was 692,305, 528,405, 963,314 and 937,041 for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively.

Business and pricing model

The following diagram illustrates our business model:



During the Track Record Period, the services we provided to our business partners under each of our revenue streams were as follows:

Operation of online marketplaces:

- Yangxiaomie: We act as a bridge between marketplace suppliers and end customers through facilitating transactions of goods on Yangxiaomie. Marketplace suppliers on Yangxiaomie, comprising merchandise suppliers and POP store operators, can offer their goods through Yangxiaomie and effectively push their goods to interested end customers through our search and recommendation algorithms.
- Consumption Guide: We match marketplace suppliers, currently automobile retailers, with end customers that meet the marketplace suppliers’ target customer criteria to promote conversion of online traffic to offline store visits and purchases eventually.

BUSINESS

Other businesses:

- Advertisement placement: In February 2022, we also started to offer assistance with advertisement placement to our business partners where they can place advertisements online. We then launched advertisement placement on our online marketplaces in May 2022, followed by offering advertisement placement offline through physical media.
- Provision of matching services for financial institutions: During the Track Record Period, we matched financial institutions with end borrowers that meet the financial institutions’ target customer criteria for their financing services. As of September 12, 2024, we have ceased all then existing agreements with the financial institutions in connection with matching service and since then no longer generate any revenue thereunder. As a transitional arrangement, from September 12, 2024 to January 15, 2025 following the foregoing cessation, we allowed the Yangxiaomie Users to continue accessing financial institutions through H5 redirections embedded on Yangxiaomie to check and manage their existing loans. On January 16, 2025, we discontinued H5 redirections embedded on Yangxiaomie such that potential end customers cannot initiate or manage transactions with financial institutions through Yangxiaomie. As of such date, we have ceased the provision of matching services to financial institutions (or loan facilitation and traffic diversion services), and have undertaken to the relevant financial regulatory authority in Mainland China that we will not conduct such business in the future.

The following table illustrates the transaction nature, customers from whom we receive revenue, pricing model and revenue recognition method for our revenue streams, namely operation of our two online marketplaces (Yangxiaomie and Consumption Guide), as well as other businesses in advertisement placement and provision of matching services for financial institutions, during the Track Record Period.

Transaction nature	Pricing model	Revenue recognition	Nature of revenue
I. Operation of Online Marketplaces			
<i>Yangxiaomie</i>			
We market marketplace suppliers’ goods which are transacted directly on Yangxiaomie. The goods are either (i) sourced from merchandise suppliers and sold by us or (ii) sourced and sold by POP store operators on Yangxiaomie.	(i) For goods sold by us and sourced from merchandise suppliers, we earn a margin, ranging from 0% ² to 59.7%, for each good transacted on Yangxiaomie (i.e. the difference between what we receive from end customers for such good and what we pay to the merchandise suppliers for such goods).	(i) Net basis	(i) Margin
	(ii) For goods sourced and sold by POP store operators on Yangxiaomie ¹ , we receive a commission from the POP store operators, being a percentage of the transaction value generated, typically ranging from 1% to 5% depending on the product category.	(ii) Gross basis	(ii) Commission

¹ We entered into a POP store onboarding cooperation agreement with POP Store A in May 2024. We began to generate revenue from provision of matching services for POP Store A starting from June 2024.

² During the Track Record Period, the transaction value where our Group earned a margin of 0% was RMB1,362.6, which was non-recurring and event-specific. For instance, we organized local events for coffee shops to attract online traffic to their offline stores. Given the immaterial transaction value, no material losses were incurred.

BUSINESS

Transaction nature	Pricing model	Revenue recognition	Nature of revenue
Consumption Guide			
We primarily match end customers that purchase automobiles and, to a small extent, local lifestyle services, which are sold/provided by the marketplace suppliers in offline stores.	(i) For local lifestyle goods and services: From April 2022 to the end of 2023, we earned a commission, being percentage of the transaction value generated through Consumption Guide, from merchants of local goods and lifestyle services, ranging from approximately 6% to 22%, after deducting rebates. (ii) For automobile: Prior to December 31, 2023, we sold consumption coupon of automobiles which were distributed on Consumption Guide, where we received a service fee of RMB3,000 or RMB5,000 for each automobile consumption coupon redeemed.³ Since January 2024, the automobile retailer we partner with (currently, Auto Partner A) shared profit with us in amounts ranging from RMB200 to RMB37,000 per purchase based on the selling price of the automobiles sold.	(i) Gross basis (ii) Gross basis	(i) Commission (ii) Commission
II. Other businesses			
Advertisement Placement			
We place advertisements for our business partners.	We receive a fixed fee from marketplace suppliers, ranging from approximately RMB9,700 to RMB69,800 each month, depending on the type of advertisement placed.	Gross basis	Service fee
Provision of matching services for financial institutions			
We match financial institutions with potential end borrowers.	During the Track Record Period and up to September 2024, we received a commission, being a percentage of the amount of loan facilitated on Yangxiaomie, from financial institutions. The percentage ranged from nil to 8.6%, depending on the type of services offered.	Gross basis	Commission

³ We charged either RMB3,000 or RMB5,000 for each automobile consumption coupon distributed, which represented either 50% or 100% of the face value of the coupon. We receive a higher percentage from the distribution of automobile consumption coupons because automobiles are luxuries that are intrinsically higher in value and the face value of the automobile consumption coupons only represents a small percentage of the actual value of the automobiles. In addition, according to Frost & Sullivan, a service fee ranging from RMB3,000 to RMB5,000 for each automobile purchase facilitated is in line with market norms.

BUSINESS

Our Technology

We help our business partners attract users and accurately tag and differentiate various users through search and recommendation algorithms. Our technology platform, QuantPlanet, is a unified platform that encompasses, interconnects and enhances a variety of operational functions ranging from customer acquisition, target customer analysis to customer vitalization. QuantPlanet comprises, among other things, our proprietary AI algorithms that analyze end customers’ preference from their consumption pattern and rank the results of their searches according to such preferences. Individualized banner and recommendations of goods that match end customers’ interests the most will be presented on homepages of Yangxiaomie browsed by them. By presenting optimal search results and recommendations to end customers, QuantPlanet enhances our business partners’ ability to attract more end customers.

Through the online marketplaces that we operate, our business partners in consumption-related businesses can conduct matching as well as customer engagement and retention activities to activate their existing end customer pools. QuantPlanet, built in a modular structure, caters, and can effectively adapt, to the diverse needs and processes of our business partners which allows our business partners to focus on innovation and development rather than operational management. Using QuantPlanet, we can customize our services offerings to assist a diverse group of business partners from different industry verticals to manage their goods and services through our online marketplaces.

Financial Performance

Our total revenue was RMB475.3 million, RMB529.7 million, RMB993.0 million, RMB299.9 million and RMB414.1 million for the years ended December 31, 2022 and 2023 and 2024 and for the five months ended May 31, 2024 and 2025, respectively. We recorded a loss of RMB0.3 million for the year ended December 31, 2022 (primarily attributable to the changes in the carrying amount of financial instruments with preferred rights), a profit of RMB3.6 million, RMB147.1 million, RMB34.7 million and RMB125.6 million for the years ended December 31, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, respectively. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the year (non-IFRS measure) were RMB137.4 million and RMB126.3 million for the year ended December 31, 2022, respectively. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the year (non-IFRS measure) were RMB155.3 million and RMB147.6 million for the year ended December 31, 2023, respectively. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the year (non-IFRS measure) were RMB417.9 million and RMB363.3 million for the year ended December 31, 2024, respectively. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the period (non-IFRS measure) were RMB139.1 million and RMB123.8 million for the five month ended May 31, 2024. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the period (non-IFRS measure) were RMB249.7 million and RMB211.6 million for the five months ended May 31, 2025, respectively. See “Financial Information — Results of Operations — Non-IFRS Measures” for details.

OUR STRENGTHS

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future:

Dedication and recognition in operating our online marketplaces in the thriving and competitive consumption industry in China

Our core strength lies in our ability to seamlessly integrate three key elements, namely users, goods/services, and consumption scenarios to create opportunities for growth and synergy for and among our business partners. The success of Yangxiaomie, launched in 2020, and then the rollout of Consumption Guide, launched in 2022, together serve as a testament to our capability to effectively bridge these three crucial elements.

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Since our inception, we have dedicated our resources to the operation of online marketplaces. Yangxiaomie, helped marketplace suppliers, comprising merchandise suppliers and POP store operators, to match their consumer goods with end purchasers. Consumption Guide helped marketplace suppliers, in particular automobile retailers, and to a lesser extent, merchants of local lifestyle goods and services, to match their automobiles or goods and services with end consumers.

With our Quant-enabled matching service capability, the more end customers we acquire and engage for our business partners, the more industry know-how and data insights we can accumulate through the process, which increases the efficiency and efficacy of our operation of Yangxiaomie and Consumption Guide. As of May 31, 2025, we engaged over 60.3 million registered end customers through our online marketplaces, accumulating a large customer base for our business partners. Leveraging our commitment to the online marketplace for consumption industry, as well as the experience and technological expertise developed over time, we are well positioned to thrive in operation of online marketplaces for consumption in China, and capture the future growth potential of the market. As of May 31, 2025, our business partners, provides over 1,614,312 SKUs through our online marketplaces. Supported by a shopping behavior prediction model that identifies potential users with high ARPU, repeat customers, which are Yangxiaomie Users with one or more previous purchasing activities, would receive personalized, real-person customer service support, a service rarely available on competing platforms given that the return on investment for such services is low for platforms with relatively low ARPU as confirmed by Frost & Sullivan. Unlike industry norms where coupons are predominantly allocated to new customers, Yangxiaomie rewards loyal customers with substantial tiered coupons scaled to their purchase frequency, creating a unique “spend more, save more” experience. As a result, our revenue generated from Yangxiaomie amounted to RMB206.2 million, RMB200.5 million, RMB925.1 million, RMB253.5 million and RMB406.1 million in 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, respectively.

Leveraging our years of experience in operating online marketplace for consumption, we have expanded our user base in the inception stage of Consumption Guide and successfully jumpstarted Consumption Guide within a relatively short period of time, which was demonstrated by the increase in average MAU on Consumption Guide from 62,255 in 2022 to 81,038 in 2023 and the increase in average monthly paying users of Consumption Guide and associated proprietary local consumption apps from 23,558 in 2022 to 29,704 in 2023.

Technological advancement in user profile and customer preference analytics

We have more than eight years of experience in analyzing customer profiles in consumption-related industries. Our proprietary AI technologies can analyze customer preferences and information in real time, optimizing the operational efficiency of our business partners and the user experience of the end customers. Our AI models continuously learn and improve by themselves through discovering new patterns by analyzing user profiles. With customer profiling, we can identify and discover end customer demands and facilitate matching of business partners and their goods and services with end customers. For example, leveraging our AI algorithms and technology platform, QuantPlanet, Yangxiaomie helps marketplace suppliers to reach their target end customers effectively. The operation of online marketplaces over the years had improved our sales order and data analytics capabilities, which in turn helped improve our business partners’ visibility of customer preferences and customer conversion. We offer our business partners search and recommendation algorithms, customer profiling and targeted marketing to facilitate customer engagement. Yangxiaomie can generate recommendations to Yangxiaomie Users in connection with goods of our marketplace suppliers that target the needs of such end customers by analyzing customer profiles and customizing virtual-storefront homepages for each end customer to be specifically tailored to their preferences, providing a “A Thousand People, A Thousand Faces (千人千面)” shopping experience.

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Furthermore, enabled by QuantPlanet, Yangxiaomie established loyalty programs with various membership tiers and track membership points, end customer activities status and referral records. This allows us and the marketplace suppliers to design different sales and promotional activities corresponding to different end customer preferences and membership tiers, and makes the customer management systems more responsive, which in turn can help to boost repeat purchases and referrals by their customers and to increase overall purchase value. All these help the marketplace suppliers to achieve social fission to enhance marketing efficiency and to expand their online user base effectively. Our talented R&D team of 79 members as of May 31, 2025 continuously introduce innovative features on QuantPlanet to improve user experience. Our core technologies and algorithms are all developed and maintained by our R&D team, laying a solid foundation for our future growth.

Proven track record of operation of Yangxiaomie

We have a proven track record in operating Yangxiaomie and helping our marketplace suppliers to match target end customers effectively. This in turn helped us to achieve outstanding financial and operating performance during the Track Record Period.

The revenue generated from the operation of Yangxiaomie as an E-commerce platform was RMB206.2 million, RMB200.5 million, RMB925.1 million, RMB253.5 million and RMB406.1 million in 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, respectively. The gross profit of Yangxiaomie as an E-commerce platform was RMB182.0 million, RMB187.3 million, RMB901.6 million, RMB245.8 million and RMB394.3 million in 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, respectively. Our total revenue increased by 11.4% from RMB475.3 million in 2022 to RMB529.7 million in 2023, and further increased by 87.5% to RMB993.0 million in 2024. Our total revenue increased by 38.1% from RMB299.9 million for the five months ended May 31, 2024 to RMB414.1 million for the five months ended May 31, 2025. Our gross profit increased by 17.6% from RMB312.8 million in 2022 to RMB367.7 million in 2023, and further increased by 161.6% to RMB961.9 million in 2024. Our gross profit increased by 38.6% from RMB288.8 million for the five months ended May 31, 2024 to RMB400.3 million for the five months ended May 31, 2025. For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, our gross profit margin was 65.8%, 69.4%, 96.9%, 96.3% and 96.7%, respectively. According to Frost & Sullivan, we enjoy a profitability measured by profit margins higher than industry average in 2024 in the online marketplaces for consumption market.

For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, through our online marketplaces powered by QuantPlanet, we had facilitated transactions with a transaction value of RMB3.6 billion, RMB4.9 billion, RMB7.7 billion and RMB4.6 billion, respectively.

Talented management team

Members of our management team have been driving the development of intelligent integrated matching service offerings that effectively increase customer engagement and satisfaction in recent years. Our core management team members have distinguished experience working for established enterprises in various industries, accumulating experience in technology, retail, operation, management and finance. Our management team is led by Dr. Zhou, our founder and Chief Executive Officer, who is a highly distinguished technology entrepreneur with cross-industry experience in technology, data analytics and online retail, with a doctoral degree in physics from Rice University in the United States and bachelor's degree in astronomy from Peking University. Dr. Zhou has received various recognitions throughout the years. Dr. Zhou was named as “Chinese Innovator of the Year (創業中國年度創新人物)” by China Association for Small and Medium Commercial Enterprises in 2015 (中國中小商業企業協會) and “Top Leading Talent (2015 年度中關村高端領軍人才)” by Zhongguancun Science Park in 2015 and “Chinese Returned Scholars Innovation and Entrepreneurship 50 (中國留學人員創新創業50人)” by the Center for China & Globalization (中國與全球化智庫) in 2016. He was also awarded 2019 Scientist

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Entrepreneurs List: China 30 (2019中國科學企業家Top30) by the World Innovators Meet organized by EqualOcean (億歐) in 2019 and was named as “2019 AI Industry Person of the Year (2019人工智能行業年度人物)” jointly by Internet Weekly (互聯網周刊), eNet.com (矽谷動力) and Center for Informatization of the Chinese Academy of Social Sciences (中國社會科學院信息化研究中心) in 2020. In addition, in 2023, Dr. Zhou was awarded the “China’s Outstanding Contributor in AI Business Award (中國人工智能商業傑出貢獻人物獎)”, “Outstanding Digital Innovators (傑出數字化創新人物)” and “Socially Responsible Person of the Year (年度責任人物)” by the China Internet Weekly, Informatization Research Center of Chinese Academy of Social Sciences, eNet Research Institute, DT Capital, the 12th Finance Summit and Sustainable Business Conference, International Think Tank Festival Organizing Committee, Syobserve and the Sixth Social Responsibility Conference, respectively.

Our management team also possesses complementary skill sets across Internet technology, software development, marketing technology and strategic investments. In addition, our research and development team has extensive experience in technology and online retail, especially in AI, cloud-based management and data science. Our chief technology officer, Mr. Zhou Qiang, has approximately 15 years of research and development experience.

OUR STRATEGIES

To deepen and accelerate the growth of our online marketplaces, we intend to pursue the following strategies:

Continue to develop Yangxiaomie optimize the customer experience

We are dedicated to the continuous development of Yangxiaomie as a consumer E-commerce platform and intend to further enhance its profitability and increase its transaction value.

We will enhance Yangxiaomie’s brand awareness and expand its target user base by increasing investments in advertisement placement for Yangxiaomie, reactivating repeat Yangxiaomie Users, and expanding sources of traffic through collaborating with traffic platforms. Additionally, we will enrich the product categories and supply volume of merchandise on Yangxiaomie by introducing more marketplace suppliers, comprising both merchandise suppliers and POP store operators. Furthermore, supported by a shopping behavior prediction model that identifies potential users with high ARPU, we will continuously optimize the user experience of Yangxiaomie of such users through personalized one-to-one marketing interventions and a unique user experience of “buy more, save more”, thereby improving the repurchase rate on Yangxiaomie. We will also enhance Yangxiaomie’s profitability by increasing product gross margins and the commission we charge POP store operators.

Increase investment in research and development capabilities and our technology infrastructure

To further increase our business partners’ stickiness to our online marketplaces, we will continue to invest in our research and development capabilities and our technology infrastructure and recruit more talents for our on-the-ground sales team. We intend to further enhance our matching capabilities and service offerings, including the implementation of user segmentation based on a look-alike model and a construction of marketing gain prediction model based on an uplift model to maximize the efficiency of our marketing efforts.

While expanding and optimizing our business outreach and coverage, we will incorporate more modules onto our QuantPlanet to continuously improve operational efficiency and variety of our service offerings and also expand our R&D team. We will continue to improve our services to meet evolving needs of our business partners. We will also optimize our existing QuantPlanet infrastructure and build and/or purchase big data storage capacity, GPU computing power or public cloud servers to support various aspects of our infrastructure.

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OUR BUSINESS MODEL

We are an operator of online marketplaces for consumption in China. Currently, we operate a consumer Ecommerce platform, namely, Yangxiaomie (羊小咩). During the Track Record Period, we generated substantially all of our revenue from Yangxiaomie and Consumption Guide. During the Track Record Period, Yangxiaomie, helped marketplace suppliers, comprising merchandise suppliers and POP store operators, to match their consumer goods with end purchasers. We also operate an automobile retail O2O platform, namely, Consumption Guide (消費地圖). During the Track Record Period, Consumption Guide helped marketplace suppliers, in particular automobile retailers, and to a lesser extent, merchants of local lifestyle goods and services, to match their automobiles or goods and services with end consumers. In January 2024, Consumption Guide commenced collaboration with Auto Partner A and became its exclusive online display and marketing channel for the retail of automobiles in Northern China covering Beijing, Tianjin, Hebei Province and Inner Mongolia. At the same time, Auto Partner A became our exclusive marketplace supplier on Consumption Guide by integrating its 4S automobile retailer network with our pre-existing network in the aforementioned region.

To a much smaller extent, we also generated revenue from other businesses by (i) advertisement placement for our business partners, (ii) providing matching services for financial institutions, which was terminated in September 2024.

The following table sets forth the breakdown of revenue generated under different revenue streams for the periods indicated.

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Operation of Online										
Marketplaces	412,057	86.7	411,532	77.7	957,937	96.5	267,385	89.2	414,017	100.0
Revenue from Yangxiaomie	206,222	43.4	200,451	37.8	925,124	93.2	253,500	84.6	406,100	98.1
Revenue from Consumption Guide	205,835	43.3	211,081	39.9	32,813	3.3	13,885	4.6	7,917	1.9
Other Businesses	63,228	13.3	118,137	22.3	35,092	3.5	32,466	10.8	123	0.0
Advertisement Placement	7,166	1.5	10,952	2.1	3,048	0.3	2,240	0.7	123	0.0
Revenue from Financial Institutions	56,062	11.8	107,185	20.2	32,044	3.2	30,226	10.1	—	—

The following table sets forth the gross profit and gross profit margin of our operation of online marketplaces and other businesses for the periods indicated:

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	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 of Online										
Marketplaces										
Yangxiaomie	181,677	88.1	187,325	93.5	901,576	97.5	245,883	97.0	394,335	97.1
Consumption Guide ⁽¹⁾	73,282	35.6	65,921	31.2	25,483	77.7	10,677	76.9	5,888	74.4
Other Businesses										
Advertisement Placement	6,714	93.7	10,594	96.7	3,039	99.7	2,236	99.8	123	100.0
Providing Matching Services for Financial Institutions	51,084	91.1	103,815	96.9	31,793	99.2	30,019	99.3	—	N/A ²

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Notes:

- (1) During the Track Record Period, the fluctuations in the gross profit margin of Consumption Guide were primarily due to the fluctuations of Internet operation cost, which mainly represent the service fee we paid to Weidaoyun. See section headed “— Our Online Marketplaces — Consumption Guide (消費地圖) — Marketing Activities of Consumption Guide through Cooperation with Weidaoyun” for more details.
- (2) As of September 12, 2024, we have ceased all then existing agreements with the financial institutions in connection with matching service and since then no longer generate any revenue thereunder. see “Business — Other Businesses — Historical matching services for financial institutions” for details

OUR ONLINE MARKETPLACES

Yangxiaomie (羊小咩)

Yangxiaomie is a consumer E-commerce platform for marketplace suppliers, comprising merchandise suppliers and POP store operators. Through Yangxiaomie, we primarily source for our merchandise suppliers and facilitate the sale of their retail goods ranging from consumer electronics, food and beverages, home appliances, cosmetics, jewelry to clothing and personal daily care. In the first half of 2024, transaction value on Yangxiaomie experienced significant growth as compared to the same period in 2023. As the then existing merchandise suppliers cannot keep up with the above-mentioned rapid growth in transaction volume which was not foreseen by us, or otherwise could only be achieved if prepayment arrangements were put in place, we sought to collaborate with POP stores. In May 2024, in addition to facilitating goods transactions for goods sold by us and sourced from merchandise suppliers, we began collaborating with POP Store A, a consumer goods sales company, and onboarded it as a POP store operator on Yangxiaomie. We began to generate revenue from online marketplaces on Yangxiaomie through goods transactions in relation to POP Store A starting from June 2024.

The following table sets forth key operating metrics of Yangxiaomie.

	For the Year ended December 31,			For the Five Months Ended May 31,
	2022	2023	2024	2025
Average Revenue per User (RMB) ¹	10,330	14,813	21,296	25,622
Average MAU ²	692,305	528,405	963,314	937,041
Average Monthly Paying Users ^{3 6}	54,068	29,496	62,587	66,888
Annual Registered Users ('000) ⁴	45,894	48,412	56,881	N/A
Annual Transaction value (RMB'000) ⁵	2,006,187	1,957,839	7,028,305	N/A
Average Next Month Repurchase Rate	46.0%	40.0%	33.8%	41.6%

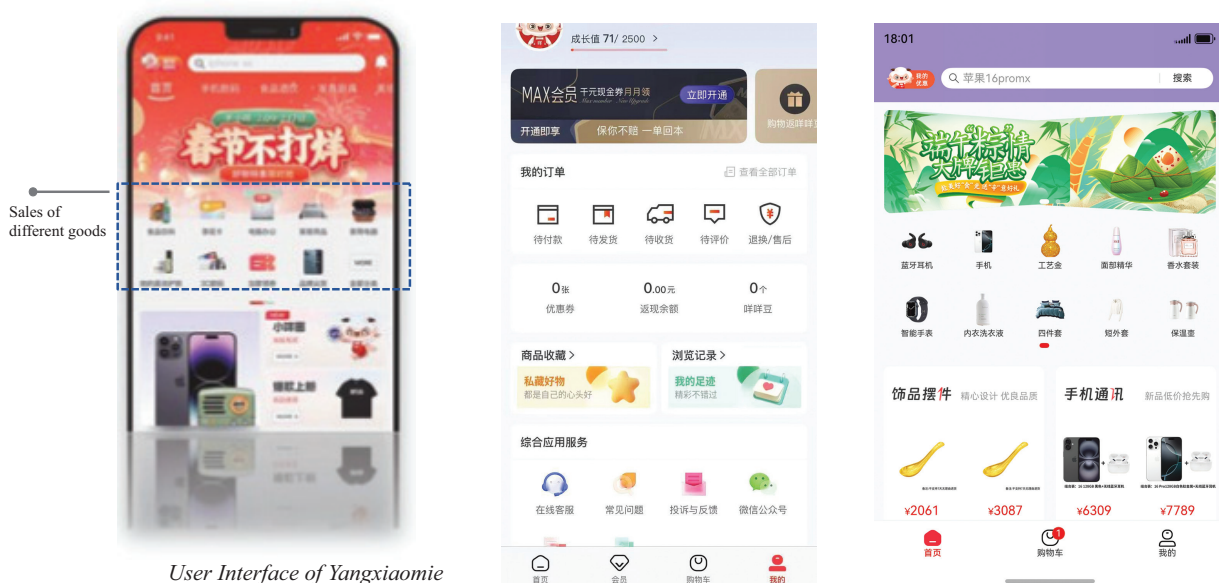
Note:

- (1) ARPU (average revenue per user) is calculated by dividing the transaction value by the number of paying users.
- (2) MAU (monthly active users) refers to the number of Yangxiaomie Users who visit Yangxiaomte at least once within a month. Average MAU is the average number of MAU over a year. MAU on Yangxiaomie include both end customers we referred to financial institutions and end customers purchasing goods on Yangxiaomie. The MAU on Yangxiaomie decreased from 692.3 thousand in 2022 to 528.4 thousand in 2023 primarily due to strategic decrease in advertisement efforts in 2022, which led to a decrease in customer flow in 2023 due to the latency effect of advertisements placed. In the second half of 2023, we devoted more efforts in advertisements and marketing. The MAU on Yangxiaomie increased from 528.4 thousand in 2023 to 963.3 thousand in 2024, primarily due to the lag effect of advertisements placed starting in the third quarter of 2023 and our continuing investment in Yangxiaomie in 2024. The MAU on Yangxiaomie increased from 744.0 thousand for the five months ended May 31, 2024 to 937.0 thousand for the five months ended May 31, 2025, primarily due to increased marketing expenditures and expanded partnership channels, improved depth and variety of marketing campaign content and product categories, as well as increased frequency of user marketing engagement. Matching service for financial institutions and online marketplaces on Yangxiaomie share the H5 redirections embedded on Yangxiaomie and not operated by us so the MAU cannot be further broken down based on nature of services.
- (3) Monthly paying users refer to the number of Yangxiaomie Users who have made at least one successful transaction within a month (counting repeated users as one). Average Monthly Paying Users is the average number of monthly paying users over a financial year.
- (4) Registered users include customers who have a registered account on Yangxiaomte calculated on an accumulative basis. Matching service for financial institutions and online marketplaces on Yangxiaomie share the same registration system so the registered users cannot be further broken down based on nature of services.
- (5) The transaction value for Yangxiaomie increased from RMB4.9 billion in 2023 to RMB7.7 billion in 2024, primarily due to our strategic advertising and marketing initiatives for Yangxiaomie beginning in the third quarter of 2023 across various Internet platforms for traffic acquisition, specifically app store advertisement placements, advertising on new media platforms, traffic referrals from our business partners, which had a delayed impact on the number of average monthly paying users for online marketplaces on Yangxiaomie, and our continuing investment in Yangxiaomie in 2024.

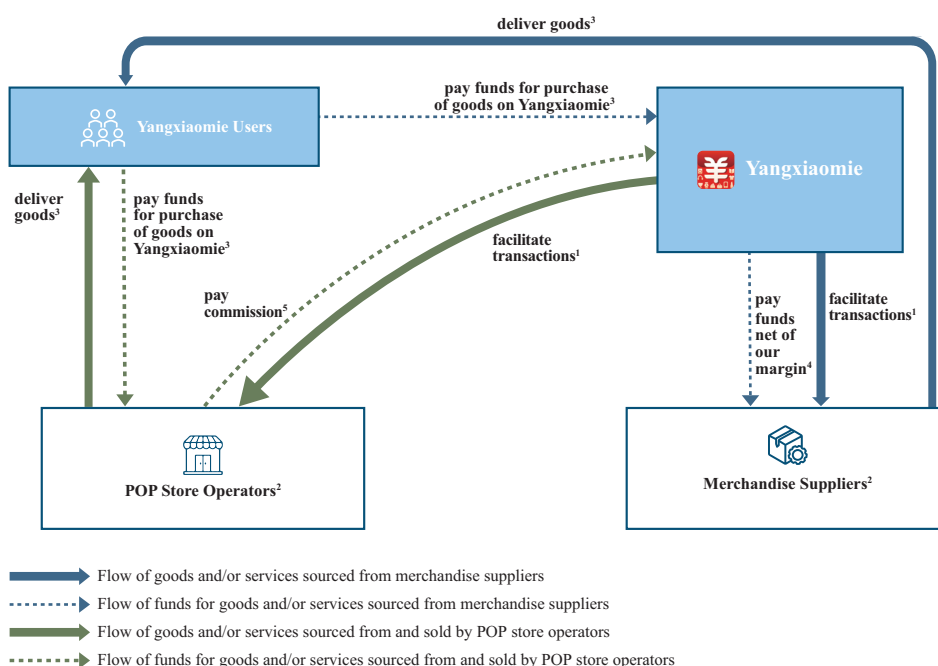
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- (6) The average monthly paying users on Yangxiaomie decreased from 54,068 in 2022 to 29,496 in 2023, in line with the adjustment of our marketing strategy. We terminated all cooperation agreements with our third-party suppliers of Internet advertising and promotion services in 2022. This resulted in a decrease in the number of average monthly paying users for online marketplaces on Yangxiaomie in 2023 due to the delayed impact of terminating services on the number of users. The average monthly paying users for online marketplaces on Yangxiaomie increased from 29,496 in 2023 to 62,587 in 2024, primarily due to our strategic advertising and marketing initiatives for Yangxiaomie beginning in the third quarter of 2023 across various Internet platforms for traffic acquisition, which had a delayed impact on the number of average monthly paying users for online marketplaces on Yangxiaomie and our continuing investment in Yangxiaomie in 2024. The average monthly paying users on Yangxiaomie increased from 46,053 for the five months ended May 31, 2024 to 66,888 for the five months ended May 31, 2025, primarily due to increased marketing expenditures and expanded partnership channels, improved depth and variety of marketing campaign content and product categories, as well as increased frequency of user marketing engagement.

The diagrams below showcase products and services on Yangxiaomie:



The following diagram illustrates the flow of goods and funds (subject to any prepayment arrangements) between Yangxiaomie, marketplace suppliers and the Yangxiaomie Users:



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Notes:

1. We facilitate transactions between marketplace suppliers and end customers through Yangxiaomie by matching relevant goods with interested end customers. We help marketplace suppliers attract end customers and accurately tag and differentiate various end customers through search and recommendation algorithms on our technology platform.
2. Marketplace suppliers include (i) merchandise suppliers who provide goods for sale through our online marketplaces (predominantly Yangxiaomie) and (ii) POP store operators who sell goods through Yangxiaomie. Merchandise suppliers are classified as our suppliers as we primarily pay them the transaction amount net of our margin. POP store operators are classified as our customers as they pay us commission calculated based on contractually agreed percentages of their transaction value through Yangxiaomie.
3. After end customers make purchases on Yangxiaomie and pay for the goods, funds are directed either (i) to us for goods sold by us on Yangxiaomie and sourced from merchandise suppliers, or (ii) to POP store operators for goods sold by them on Yangxiaomie. In both cases, marketplace suppliers deliver the goods to the end customers directly.
4. For goods sold by us on Yangxiaomie and sourced from merchandise suppliers, we pay the merchandise suppliers funds net of margin for each good transacted on Yangxiaomie. In some circumstances during the Track Record Period, we prepay our business partners in connection with facilitating goods transactions. For more details, see “— Our Online Marketplaces — Yangxiaomie (羊小咩) — Marketplace suppliers on Yangxiaomie — Merchandise suppliers.” For some of our larger marketplace suppliers, we will pay the funds after the end customers receive the goods.
5. For goods sold by POP store operators on Yangxiaomie, POP store operators pay us commission calculated based on contractually agreed percentages of their transaction value through Yangxiaomie.

The Yangxiaomie Users

As of the Latest Practicable Date, there were approximately 62.5 million registered Yangxiaomie Users. To tap into the value of such a deep user pool, Yangxiaomie leverages our proprietary AI algorithms of the QuantPlanet and analyzes factors including Yangxiaomie Users’ historical purchase behaviors and frequency, payment capability, preference in goods categories and feedback through interactions with customer services, in order to identify those users with potential high ARPU.

Yangxiaomie targets potential users with high average revenue per user (“ARPU”) and high average order value (“AOV”). Despite the intense competition within the online retail market, we managed to attract and retain a specific group of end customers who typically tend to purchase high-value products from Yangxiaomie. Our AOV, which is calculated by dividing the transaction value by the number of orders, was RMB1,736, RMB3,066, RMB6,207 and RMB8,206 for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. According to Frost & Sullivan, the AOVs for two of the top e-commerce platforms¹ were RMB119.4 and RMB276.3 for the year ended December 31, 2024. The ARPU of Yangxiaomie Users for goods facilitated through Yangxiaomie, which is calculated by dividing the transaction value by the number of paying users, was RMB10,330, RMB14,813, RMB21,296 and RMB25,622 for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. The ARPU of Yangxiaomie is significantly higher than market average and comparable with that of the top e-commerce platforms. According to Frost & Sullivan, the average ARPU for four top e-commerce platforms was RMB6,328 for the year ended December 31, 2023.²

After targeted users log onto Yangxiaomie, Yangxiaomie uses AI algorithm/or and real-person communications to provide more precise product recommendations and differentiated discounts. Yangxiaomie predicts users’ subsequent purchase probabilities, sensitive price ranges, potential preferred categories, and

¹ The two top e-commerce platforms refer to Pinduoduo and Vipshop. They were selected as they also attract a specific group of customers and their AOVs are publicly available.

² The four top e-commerce platforms refer to Pinduoduo, Vipshop, JD.com and Taobao. They were selected for comparison as they are comprehensive e-commerce platforms comparable with Yangxiaomie, which sell standardized products in a large number of categories, including food, groceries, clothes, household electric appliances and gift accessories. In addition, they are also listed companies whose ARPU are publicly disclosed and available for comparison. As confirmed by Frost & Sullivan, the average ARPU of the top e-commerce platforms for the year ended December 31, 2024 is currently unavailable.

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effectively identifies targeted users for specific product categories and provides one-to-one real-person services for such users. Based on users’ needs, exclusive promotional activities are provided in a timely manner to improve target users’ purchase rates.

Yangxiaomie deploys deep dive analysis on repeat customers with higher purchase frequency and delivers one-to-one marketing interventions tailored to their purchasing behaviors, which differentiates itself from most of the other e-commerce platforms as confirmed by Frost & Sullivan. Unlike industry norms where coupons are predominantly allocated to new customers, Yangxiaomie rewards loyal customers with substantial tiered coupons scaled to their purchase frequency, creating a unique “spend more, save more” experience. For less responsive new users, Yangxiaomie enhances their responsiveness through promotional activities like “One Yuan Purchase by New User (新人專享1元購)”. After a new user completes the first order, Yangxiaomie will conduct a new round of one-to-one customer service based on his/her subsequent behaviors to convert such user into repeat customer. Yangxiaomie, which is a service rarely available on competing platforms given that the return on investment for such services is low for platforms with relatively low ARPU as confirmed by Frost & Sullivan. For Yangxiaomie Users predicted to have higher churn rate, Yangxiaomie uses real-person calls combined with high-benefit retention plan to enhance such users’ loyalty and activity.

Marketplace Suppliers on Yangxiaomie

Merchandise suppliers

We started facilitating transactions of consumer goods between our business partners and the end customers in November 2016 on Credit Wallet, which was the predecessor of Yangxiaomie. Promoted in 2020, Yangxiaomie aims to provide marketplace suppliers with additional means to facilitate effective and efficient sales and distribution of goods. Such marketplace suppliers primarily include merchandise suppliers, from whom we source retail goods ranging from consumer electronics, food and beverages, home appliances cosmetics, jewelry to clothing and personal daily care, and sell under Yangxiaomie’s name. We earn a margin, being the difference in price of each good sourced from merchandise suppliers and the price transacted on Yangxiaomie. The margin for goods sold by us and sourced from merchandise suppliers typically ranged from 0% to 59.7%, during the Track Record Period. During holiday seasons and shopping festivals, our margin can be as low as 0%, which we set to attract more end customers for our marketplace suppliers on Yangxiaomie.¹ During other times, depending on the types of goods offered by our marketplace suppliers, the margin rate can be as high as 59.7% for some goods offered by our marketplace suppliers, such as clothing and liquor. According to Frost & Sullivan, our margin range is in line with industry norm. For the five months ended May 31, 2025, our average margin rate was approximately 19.3%.

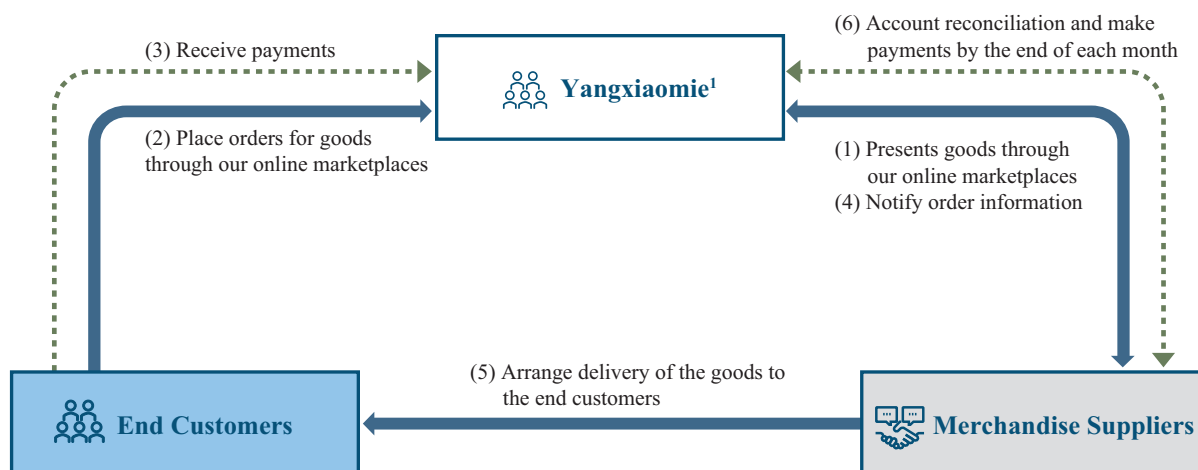
Goods transactions involving merchandise suppliers features a unique payment structure. The following simplified diagrams illustrate the process for goods sourced from merchandise suppliers and sold by us (including major steps and fund flow) on Yangxiaomie with and without prepayment to our merchandise suppliers. During our initial cooperation with certain merchandise suppliers, we entered into prepayment arrangements to reduce cash flow pressure for them in order to bring them quickly on board. During the Track Record Period, the prepayment amounts we paid to merchandise suppliers were RMB148.3 million, RMB300.0 thousand, RMB526.0 thousand and RMB199.8 thousand for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025. As our cooperation matured, we were able to modify our agreements to forego prepayments. As of the Latest Practicable Date, we had two merchandise supplier with prepayment arrangements. The only one merchandise supplier is a well-known platform operator

¹ During the Track Record Period, the transaction value where our Group had charged marketplace suppliers a margin of 0% was RMB1,362.6, which was non-recurring and event-specific. For instance, we organized local events for coffee shops to attract offline traffic to their offline stores. Given the immaterial transaction value, no material losses were incurred.

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which typically has prepayment requirements for their partners, according to Frost & Sullivan. As our merchandise suppliers are primarily responsible for fulfilling the delivery of goods and we do not take inventory risk on goods throughout the process, we record revenue from facilitating goods transactions on a net basis. See “Financial Information — Critical Accounting Policies, Judgment and Estimates — Material Accounting Policies — Revenue Recognition — Revenue from Marketplace Suppliers” for further details.

Without prepayment to our marketplace suppliers



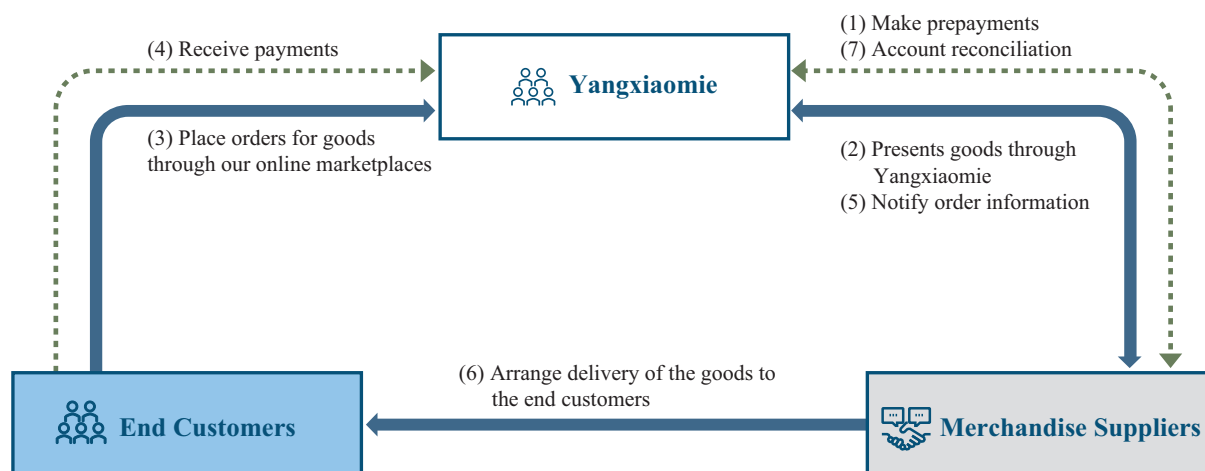
The following are the major steps of the process for transactions made on online marketplaces on Yangxiaomie without prepayment arrangement:

- 1) After necessary technical preparations, we present the goods provided by the marketplace suppliers on Yangxiaomie and through our AI algorithms, we recommend goods to their target end customers.
- 2) An end customer places an order on Yangxiaomie.
- 3) We receive payments from the end customer for the goods.
- 4) We notify the marketplace suppliers with order information in real-time.
- 5) The marketplace suppliers arrange delivery of the relevant good to the end customer and are responsible for any loss or damages to the goods.
- 6) After account reconciliation at end of each month, the marketplace suppliers send us invoices to settle payments with them. For some larger marketplace suppliers, we will pay funds after end customers receive the goods.

¹. During the Track Record Period, we facilitated goods transactions primarily on Yangxiaomie and, to a very small extent, on Consumption Guide.

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With prepayment to our marketplace suppliers



The following are the major steps of the process for transactions made on online marketplaces on Yangxiaomie with prepayment:

- 1) In certain circumstances, we make prepayments arrangement to the marketplace suppliers upon entering into an agreement with them. Such prepayments are recorded as an advance.
- 2) After necessary technical preparations, we present the goods provided by the marketplace suppliers on Yangxiaomie and through our AI algorithms, we recommend goods to their target end customers.
- 3) An end customer places an order on Yangxiaomie.
- 4) We receive payments from the end customer for the goods.
- 5) We notify the merchandise suppliers with order information in real-time and the marketplace suppliers settles the payments by deducting from the prepayments we made in advance. For transactions with some marketplace suppliers, after the prepayments fall below the contracted amount, we have to make up the prepayment to reach the contracted floor for prepayments.
- 6) The merchandise suppliers arranges delivery of the relevant good to the end customer and are responsible for any loss or damages to the goods.
- 7) We reconcile our accounts with our clients on a monthly basis. If the remaining balance falls below the contracted amount, we make an additional prepayment to the marketplace suppliers to make up the shortfall.

POP store operators

In the first half of 2024, transaction value on Yangxiaomie experienced significant growth as compared to the same period in 2023. As the then existing merchandises cannot keep up with the above-mentioned rapid growth in transaction volume which was not foreseen by us, or otherwise could only be achieved if prepayment arrangements were put in place, we commenced collaboration with POP Store A, a consumer goods sales company, and onboarded it as a POP store operator on Yangxiaomie in May 2024. POP Store A manages the transactions of the goods sourced by it directly, and we receive a commission from the POP store operators, being a percentage of the transaction value generated from POP Store A on Yangxiaomie as commission. It complements our existing goods transactions approach, where we primarily sell goods we sourced from merchandise suppliers. We began to generate revenue through goods transactions in relation to POP Store A starting from June 2024.

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Pursuant to the POP store onboarding cooperation agreement we entered into with POP Store A in May 2024, we offered various types of support to POP Store A such as by providing order information transmission, technological support, and payment integration services, as well as promoting its products to our extensive consumer base, which enabled POP Store A to efficiently manage its operations and deliver a seamless shopping experience to end customers. According to the foregoing agreement, we charged a service fee to POP Store A based on the contractually agreed percentage of its transaction value on Yangxiaomie and settled with POP Store A on a monthly basis. Depending on the product category, the percentage of the transaction value that we charged as service fee typically ranged from 1% to 5%, which was comparatively lower than the margin we commanded from the end customers for goods directly sold by us. See “Financial Information — Critical Accounting Policies, Judgment and Estimates — Material Accounting Policies — Revenue Recognition — Operation of Online Marketplaces for Consumption — Matching services on Yangxiaomie” for further details.

The terms of cooperation with POP Store A are generally comparable to those with our other merchandise suppliers, except that for POP Store A, (a) the sales of product are displayed on the platform as operated by POP Store A, instead of being displayed as Yangxiaomie-operated; (b) it, rather than us, will be responsible for issuing invoices to Yangxiaomie Users and assumes customer service functions; (c) the pricing of goods supplied by POP Store A is entirely determined by it, while the price of goods supplied by the merchandise suppliers is decided by us, based on a price range determined by us together with the merchandise suppliers; and (d) we charge POP Store A a commission, being the goods selling price of the goods sold multiplied by an agreed take rate as commission, while we earn a margin of the goods sold to Yangxiaomie Users.

To maintain the reliability of Yangxiaomie, we established stringent onboarding criteria for POP store operators. Pursuant to the POP store onboarding cooperation agreement we entered into with POP Store A, POP Store A was required to provide relevant documents including business license and authorization letters. As of May 31, 2025, we have onboarded one POP store, POP Store A, which met our onboarding standard and offered a diverse range of products such as electronic products, food and beverages, home appliances, cosmetics, jewelry, clothing and personal daily care products. In order to provide a smooth shopping experience, we worked closely with POP Store A to maintain strict quality standards. Pursuant to the POP store onboarding cooperation agreement we entered into with POP Store A, POP Store A was required to ensure that the products it sold met national product quality standards, guarantee the protection of consumer personal information, and provide after-sales services to end customers.

For our marketplace suppliers, save for the margin of the listed price of products deducted and settlement price charged by the respective marketplace suppliers, or, in the case of POP Store A, the commission we charge, we will not charge any other additional fees, such as store opening fees, traffic fees, which are typically charged by other E-commerce platforms, according to Frost & Sullivan.

Value Proposition of Yangxiaomie

Leveraging the end customer base accumulated on Yangxiaomie, we match marketplace suppliers and end customers through Yangxiaomie by providing marketplace suppliers with additional means to facilitate effective and efficient sales and distribution of goods through our goods and services enabling module enabled by QuantPlanet. Through facilitating transactions between marketplace suppliers and end customers, we serve marketplace suppliers who are seeking matching for new or repeat customers.

Additional Sales Channel for Profound Source of Goods

Yangxiaomie helps marketplace suppliers to activate established customer pools and to access additional sales channels by tapping into end customers interested in different goods. Yangxiaomie facilitates transactions

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between marketplace suppliers and end customers by matching relevant goods with interested end customers. Products offered through Yangxiaomie cover multiple industry categories ranging from consumer electronics products, beauty and skin care products to food and beverages, providing a stable source of goods to attract end customers onto Yangxiaomie. As of May 31, 2025, we have accumulated approximately 1.6 million SKUs on Yangxiaomie. Repeat customers on Yangxiaomie refer to the Yangxiaomie Users with one or more previous purchasing activities. For 2022, 2023 and 2024, the number of repeat customers on Yangxiaomie was 194,204, 132,167 and 330,005, respectively.

Optimized Shopping Experiences

Leveraging our AI capabilities and the expanded product range brought by our collaboration with POP Store A, we enhance our provision of customized shopping experiences with personalized recommendations to end customers. The onboarding of POP Store A to Yangxiaomie not only connects it with our extensive user base, thereby increasing its transaction value and operational efficiency, but also enhances the shopping experience for end customers by offering them a wider range of options to compare and choose from, which ultimately benefits Yangxiaomie with growth in number of end customers and increase in transaction value. Our revenue derived from matching services for our merchandise suppliers and POP Store A on Yangxiaomie amounted to RMB903.8 million and RMB21.3 million for the year ended December 31, 2024, respectively. And for the period ended May 31, 2025, our revenue derived from matching services for our merchandise suppliers and POP Store A on Yangxiaomie amounted to RMB373.2 million and RMB32.9 million, respectively. We expect to continue sourcing goods directly from merchandise suppliers, and introduce POP stores with good reputation and strong and stable supply chain, to increase the supply of product types and quantity on Yangxiaomie.

Competitive Pricing of Goods

According to Frost & Sullivan, the selling prices of the goods and services sold under on Yangxiaomie remain competitive despite the intense competition in the market because, through AI algorithms, Yangxiaomie accurately pushes suitable discounts and exclusive consumer benefits to effectively reduce product price for end customers. Yangxiaomie ensures both new and repeat customers gain access to mainstream goods with sustained price advantages across major categories. This is achieved through its in-time price monitoring mechanism, enabling dynamic price adjustments to maintain competitiveness. This strategy not only drives new customer acquisition but also reinforces retention by consistently meeting price expectations for all users. By precisely targeting potential users with competitively priced mainstream goods and subsequently applying customized retention strategies, Yangxiaomie cultivates loyalty among its users.

Proved Operating Data

Beginning in the third quarter of 2023, we strategically increased our resources in providing online marketplaces on Yangxiaomie. Specifically, we enhanced our advertising and marketing efforts on Yangxiaomie starting in the third quarter of 2023, which began to materialize in the first half of 2024 and led to a significant increase in our operating results under the revenue stream from Yangxiaomie. As a result, our revenue generated from Yangxiaomie increased significantly from RMB200.5 million in 2023 to RMB925.1 million in 2024, and the respective transaction value we facilitated on Yangxiaomie increased from RMB1,957.8 million in 2023 to RMB7,028.3 million in 2024. Yangxiaomie offered more than 1,614,312 SKUs and had more than 60.3 million registered users as at May 31, 2025, respectively. The number of marketplace suppliers supplying goods and services on Yangxiaomie has grown from 426 as of December 31, 2022 to 514 as of May 31, 2025.

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Consumption Guide (消費地圖)

Consumption Guide (消費地圖) is our automobile retail O2O platform, which predominantly helps automobile retailers by attracting online traffic to purchase automobiles offline at local brick-and-mortar stores.

Historical Online-to-Offline Traffic Conversion by Consumption Coupons

Prior to January 1, 2024, Consumption Guide was a local lifestyle O2O platform, and our marketplace suppliers on Consumption Guide include, primarily, automobile retailers and, to a lesser extent, marketplace suppliers of local lifestyle goods and services.

In 2022 and 2023, we cooperated with large and medium-sized marketplace suppliers on Consumption Guide through business alliances to distribute consumption coupons to their customers. The consumption coupons were sold to end customers on a back-to-back basis and could be redeemed for a value higher than the face value of the consumption coupon for services, physical products, or other benefits provided by marketplace suppliers at their physical locations (e.g. a consumption coupon with a face value of RMB100.0 can be redeemed for RMB110.0 with the marketplace suppliers). The value of the consumption coupon was stored in a secured account operated by an independent third-party payment processing company. When the end customers redeemed their consumption coupons with the marketplace suppliers, a portion of the value of the consumption coupons was distributed to the Company as service fees in accordance with the contracted percentage, while the remaining amount would be distributed to the respective marketplace suppliers. We only recognize revenue from distribution of consumption coupons upon the redemption of the relevant consumption coupons. For the years ended December 31, 2022 and 2023, the revenue we derived from customers using consumption coupons was RMB195.5 million and RMB188.4 million, respectively, with a corresponding transaction value of RMB377.7 million and RMB320.4 million. In line with the transformation of targeted marketplace suppliers of Consumption Guide, we have discontinued distributing consumption coupons since March 2024. Prior to fully winding down the sale of all consumption coupons by the end of February 2024, we recorded revenue of RMB3.0 thousand from the distribution of consumption coupons in 2024, with a corresponding transaction value of RMB1.1 million, primarily from those consumption coupons related to local dining businesses.

As of the Latest Practicable Date, the amount of payment for face value of consumption coupons stored in the secured account was RMB0.15 million, all of which was related to unredeemed consumption coupons. Since the relevant marketplace suppliers on Consumption Guide who issued the underlying consumption coupons associated with the abovementioned stored amount did not set an expiration date for such consumption coupons, we are only liable for refunding upon application by relevant users through Consumption Guide.

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Transformation of Targeted Marketplace Suppliers of Consumption Guide

Since January 1, 2024, our marketplace suppliers on Consumption Guide were limited to automobile retailers, and Consumption Guide became an automobile retail O2O platform. Along with such transformation, we commenced collaboration with Auto Partner A, under which Auto Partner A would liaise with the 4S automobile retailers that it cooperated with, minimizing our resource investment and thereby enhancing the profitability and risk resilience of Consumption Guide. The local automobile brands carried by Auto Partner A mainly include BYD, Nissan, Haval, Buick, GAC, Geely, Great Wall Motor, Volkswagen, Cherry and Jetour. The main foreign automobile brands carried by Auto Partner A include the Lexus, the Mercedes-Benz, the Land Cruisers, and the Jimny’. The key officers of Auto Partner A include Ping Li, who acts as the director of governmental affairs, Xuejiao Zhang, who is the Chief Finance Officer, Zhongming Wang, who is the business development director, Yuheng Sun, who is a regional director, and Kui Zeng, who is also a regional director. Auto Partner A’s shareholders include, Pengxiang Chen, Qingbin Meng, and Xiaofeng Guo. All of the abovementioned individuals are independent third parties of the Company. Since July 2024, end customers were able to browse car models through Consumption Guide from an expanded network of 4S automobile retailers shared between Auto Partner A and us. Potential buyers for automobiles may select their desired car models on our automobile retail O2O marketplace, Consumption Guide, and then make payments online or offline.

The following table sets forth key operating metrics of Consumption Guide.

	For the Year Ended December 31,			For the Five Months Ended May 31,
	2022	2023	2024	2025
<i>Average MAU</i> ¹	62,255	81,038	7,476	2,081
<i>Registered Users ('000)</i> ²	257	557	578	578
<i>Online Transaction Value (RMB'000)</i> ³	420,528	321,501	14,930 ⁷	— ⁷
<i>Online Transaction Value for Automobile Retailers (RMB'000)</i> ⁵	—	—	13,764 ⁷	— ⁷
<i>Online Transaction Value for Other Marketplace Suppliers on Consumption Guide (RMB'000)</i>	420,528	321,501	1,165 ⁶	— ⁶
<i>Number of Automobiles Sold Online under Collaboration with Auto Partner A</i>	—	—	72 ^{4,7}	— ⁷
<i>Number of Automobile Sold Offline under Collaboration with Auto Partner A</i>	—	—	10,972 ^{4,7}	1,755 ⁷

Note:

- (1) MAU (monthly active users) refers to the number of users who visit Consumption Guide at least once within a month. Average MAU is the average number of MAU over a year. The MAU on Consumption Guide increased from 62.3 thousand in 2022 to 81.0 thousand in 2023 primarily due to the business expansion of Consumption Guide. The MAU on Consumption Guide decreased from 81.0 thousand in 2023 to 7.5 thousand in 2024, primarily because we strategically invested more resources in Yangxiaomie than in Consumption Guide. The MAU on Consumption Guide decreased from 14.2 thousand for the five months ended May 31, 2024 to 2.1 thousand for the five months ended May 31, 2025 primarily due to the suspension of government discount coupons distributions in the first half of the year, resulting in reduction in user visits.
- (2) Registered users include customers who have a registered account on Consumption Guide calculated on accumulative basis.
- (3) The online transaction value for Consumption Guide and associated proprietary local consumption apps decreased from RMB420.5 million in 2022 to RMB321.5 million in 2023, primarily due to a decrease in transaction value in connection with non-automobile related transactions, partially offset by an increase in transaction value in connection with automobile services. The annual transaction value for Consumption Guide and associated proprietary local consumption apps decreased from RMB321.5 million in 2023 to RMB14.9 million in 2024, primarily because we strategically invested more resources in Yangxiaomie than in Consumption Guide. The online transaction value for Consumption Guide and associated proprietary local consumption apps decreased from RMB one million for the five months ended May 31, 2024 to nil for the five months ended May 31, 2025, primarily due to the suspension of government discount coupons distributions in the first half of the year, resulting in reduction in user visits.
- (4) The transaction value generated from automobiles sold online and offline under collaboration with Auto Partner A was approximately RMB13.7 million and RMB4.3 billion, respectively.

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- (5) The online transaction value for automobile retailers refers to the amount of transactions made through Auto Mobile A upon the transformation of targeted market suppliers by Consumption Guide.
- (6) We had wound down the sale of all consumption coupons by the end of February 2024 and ceased distributing them in March 2024.
- (7) Following the transformation of targeted marketplace suppliers of Consumption Guide since January 1, 2024 through the collaboration with Auto Partner A, Consumption Guide has been designated as the exclusive online display and marketing channel for the retail of automobiles in Northern China covering Beijing, Tianjin, Hebei Province and Inner Mongolia, and later expanded to three regions with relatively strong subsidy support, namely (1) Xining, Qinghai Province; (2) Shihezi, Xinjiang Uygur Autonomous Region; and (3) Sanya, Hainan Province in August 2025. Most of the transactions of automobiles were conducted offline. For the five months ended May 31, 2025, all transactions related to Consumption Guide were conducted offline.

The diagram below illustrates the interface of Consumption Guide:



User Interface of Consumption Guide

End Customers on Consumption Guide

Prior to the transformation of targeted marketplace suppliers of Consumption Guide, end customers could search online on Consumption Guide and discover automobile retailers and local lifestyle marketplace suppliers with physical locations in close proximity to their geographical area and purchase automobiles or consumes marketplace suppliers’ services offline. On Consumption Guide, end customers could locate their desired automobiles based on their physical location. Through geo-fencing, Consumption Guide automatically identifies and specifically targets customers located in a particular physical location to push geographically relevant automobiles from automobile retailers in the specific geographic region to such end customers, which in turn visualizes local customer bases. Through smart recommendation and search engine optimization, Consumption Guide can display a different virtual-storefront homepage, providing them with specific and relevant recommendations, enhancing the accuracy and efficacy of our matching service for automobile retailers. During the Track Record Period, Consumption Guide covered 14 geographic regions in Beijing and five geographic regions outside of Beijing, namely, (i) Ningbo, Zhejiang Province, (ii) Jiaxing, Zhejiang Province, (iii) Chengdu, Sichuan Province, (iv) Sanya, Hainan Province and (v) Xining, Qinghai Province, which helps vitalize the local economy and serve automobile retailers from such geographic regions.

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Marketplace Suppliers on Consumption Guide

During the Track Record Period and prior to the transformation of targeted marketplace suppliers of Consumption Guide, the marketplace suppliers on Consumption Guide comprised primarily automobile retailers and, to a smaller extent, marketplace suppliers that provide local lifestyle goods and services, with matching services through Consumption Guide as an local lifestyle O2O platform. We connected local automobile retailers, entertainment stores, beauty stores and beauty clinics, and other local leisure activities with end customers. In particular, Consumption Guide allowed automobile retailers to be searchable and discoverable by end customers through presenting and recommending their automobiles on Consumption Guide before the customer purchases an automobile offline in a physical location and to settle payments, which enhanced the automobile retailers’ marketing and operational efficiency. For the two years ended December 31, 2022 and 2023, revenue generated from automobile retailers accounted for 78.3% and 87.0% of the total revenue from Consumption Guide during the corresponding period, respectively.

Since January 1, 2024, the sole marketplace supplier on Consumption Guide has become Auto Partner A, an automobile retailer. Following such transformation, revenue of Consumption Guide has been generated from collaboration with Auto Partner A under which Consumption Guide had been the exclusive online display and marketing channel for the retail of automobiles in Northern China covering Beijing, Tianjin, Hebei Province and Inner Mongolia.

Reason for the Transformation of Targeted Marketplace Suppliers on Consumption Guide

In 2024, favorable governmental policies for the automobile industry were rolled out in the PRC. For instance, in April 2024, the Ministry of Finance, the Ministry of Commerce and five other government authorities jointly issued “Implementation Rules for Automobile Trade-In Subsidies” (《汽車以舊換新補貼實施細則》), which provided a subsidy of up to RMB10,000 for consumers who scrap old fuel vehicles or early new energy vehicles and purchase new vehicles. In May 2024, the General Office of the Ministry of Commerce and four other government authorities jointly released the “implementation Plan for the 2024 New Energy Vehicles Going to the Countryside Campaign”(《2024年新能源汽車下鄉活動實施方案》), which offered measures like test drives, purchase subsidies, and financial services to lower the financial burdens for consumers and accelerate the adoption of new energy vehicles in rural areas. According to Frost & Sullivan, these policies not only provided direct financial incentives to consumers, such as purchase tax reductions and trade-in subsidies, but also created a favorable market environment for the automobile industry and fostered a more sustainable and technologically advanced automotive market in the long term. With the favorable governmental policies in place, that revenue generated from automobile retailers accounted for 87.0% of the total revenue from Consumption Guide for the year of 2023.

Since July 2024, our end customers were able to browse car models and prices through Consumption Guide for automobiles being sold by an expanded network of automobile retailers shared between Auto Partner A and us. At the same time, Auto Partner A gained access to our established user base accumulated on Consumption Guide. This resource-sharing cooperation allowed both Auto Partner A and us to expand our capabilities and achieve greater market reach. Our cooperation with Auto Partner A represents a mutually beneficial partnership aimed at establishing a premium automobile retail O2O marketplace and to optimizing the utilization of both parties’ resources and capabilities, thereby maximizing the overall market reach and operational efficiency of both parties.

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Benefits for automobile purchasers

Purchase of automobiles, which are high-value consumer goods, inherently involves complex decision-making processes, comparing with purchase of low-cost daily commodities. Also, automobiles are not suitable for express delivery. Therefore the purchasers must visit the offline automobile retailers in person. Consequently, most consumers prefer physical showroom visits, test drives, and in-person negotiations before finalizing purchases. This behavioural pattern leads to the fact that a majority of transactions are transacted offline with Auto Partner A. Consumption Guide functions not only as an online automobile marketplace, where end customers are able to place orders online and pick up automobiles offline at 4S automobile retailers, but also as a digitalised engagement platform for displaying automobile information and distributing government discount coupons offered by government agencies through cooperation with Weidaoyun. Potential buyers for automobiles may select their desired car models on our online automobile marketplace, Consumption Guide, and then make payment offline. Comparing to offline 4S automobile retailers, Consumption Guide’s core value lies in attracting and accumulating active user base who may purchase automobiles online or, more likely, offline.

Since August 1, 2025, the end users of Consumption Guide will be able to choose from automobiles displayed by automobile retailers from the additional regions with relatively strong direct subsidies policies. See “Business — Consumption Guide (消費地圖) — Optimized Partnerships with Weidaoyun and Auto Partner A” for details relating to the revised terms of cooperation with Auto Partner A.

Benefits for Auto Partner A

Consumption Guide directed online user traffic to the offline automobile retailers thereby contributing to the incremental offline automobile sales of Auto Partner A. In addition, our partnership with Auto Partner A addressed its strategic need to expand its online presence. While Auto Partner A and its associated extensive network of offline 4S automobile retailers, it sought to tap into growing consumer demand for online purchasing channels.

Benefits for us

Under the collaboration with Auto Partner A, Auto Partner A would liaise with the 4S automobile retailers that it cooperated with, minimizing our resource investment and thereby enhancing the profitability of Consumption Guide.

Our business model focused on provision of matching services through our online marketplaces, rather than directly managing automobile retailers which requires substantial human resource investment. Partnership with Auto Partner A eliminated the need for us to maintain direct relationships or negotiate separate agreements with each automobile sales company, which saved our time and resources.

Auto Partner A is approved to handle the redemption of government discount coupons across various geographical areas by relevant local commercial bureaus. Many 4S automobile retailers lacking such qualifications (or only have been approved to handle the redemption of government discount coupons in certain district) had to collaborate with retailers like Auto Partner A to leverage the traffic generated by government discount coupons. Pursuant to the collaboration between Auto Partner A and the 4S automobile retailers it cooperates with, for each purchase orders made through Consumption Guide, Auto Partner A will procure the automobile from the relevant 4S automobile retailer and resell it to the automobile purchasers. In addition, Auto Partner A provides the 4S automobile retailers with marketing services to promote the sales of automobiles by such 4S automobile retailers.

Considering the benefits from the cooperation between Auto Partner A and us, Auto Partner A shared profit with us for each automobile it sold in Northern China covering Beijing, Tianjin, Hebei Province and Inner Mongolia. The profit-sharing arrangement between us and Auto

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Partner A is based on our collaborative efforts in engaging customers as the customer interactions from both online and offline channels are intertwined. In particular, our resources not only facilitated online automobile sales but also contributed to Auto Partner A’s incremental offline automobile sales as elaborated below. Under our strategic partnership with Auto Partner A, we introduced our established network of 4S automobile retailers that were previously onboarded on Consumption Guide to Auto Partner A, while Auto Partner A reciprocated by onboarding the 4S automobile retailers network it managed on Consumption Guide. Consumption Guide has established strong relationships with many automobile retailers in Beijing.

Marketing Activities of Consumption Guide through Cooperation with Weidaoyun

Weidaoyun has been our marketing supplier since the initial development stage of Consumption Guide. Weidaoyun is a sales and marketing company that has been cooperating with local governments and distributing government discount coupons issued by local commerce bureaus since 2020. The distribution of government discount coupons is generally guided by the Ministry of Commerce, with local governments and commerce departments formulating local regulations, specific work documents, notifications, and related activities to promote consumption.

It served as our marketing partner by (1) introducing marketplace suppliers to Consumption Guide, and (2) cooperating with us in the distribution of government discount coupons.

Introduction of Marketplace Suppliers by Weidaoyun

From February 2022 to December 2023 prior to the transformation of Consumption Guide in 2024, in order to establish a stronger foothold in Beijing, we engaged Weidaoyun to facilitate our ground promotion activities to expand our local marketplace supplier base, which it helped built connections with marketplace suppliers by distributing government discount coupons and organizing local marketing events. Through this cooperation, Weidaoyun introduced marketplace suppliers to collaborate with us on Consumption Guide. We collect a percentage of the transaction value from marketplace suppliers on Consumption Guide and share a percentage with Weidaoyun as service fees for their marketing services. Weidaoyun charged us their service fees on a monthly basis which we record as cost of sales. The percentage of revenue we pay Weidaoyun was decided based on commercial considerations, which varied from 50% to 70% during the Track Record Period depending on the type of marketplace suppliers introduced and will decrease over time after the on-boarding. Immediately before January 1, 2024 when we amended our terms of cooperation with Weidaoyun, the services fee we paid to most automobile retailers introduced by Weidaoyun would have dropped to 30% in 2024 under the original terms of cooperation. As of December 31, 2023, Weidaoyun has introduced 1,392 marketplace suppliers to Consumption Guide which are primarily automobile service providers. Most of the then marketplace suppliers (including all the automobile retailers previously on-boarded on Consumption Guide) of Consumption Guide were introduced by Weidaoyun in 2022 and 2023, and such automobile retailers were introduced to Auto Partner A in 2024 to be included in its network of automobile retailers. Such marketplace suppliers introduced by Weidaoyun is therefore still bringing in nominal revenue to the Group.

Distribution of Government Discount Coupons

In addition, we were designated by Weidaoyun as a distributor of government discount coupons through our cooperation with Weidaoyun. Government discount coupons are offered to the public for free on our Consumption Guide by the government to benefit local residents and stimulate local consumption. In line with this objective, we do not charge any fees for the distribution of government discount coupons.

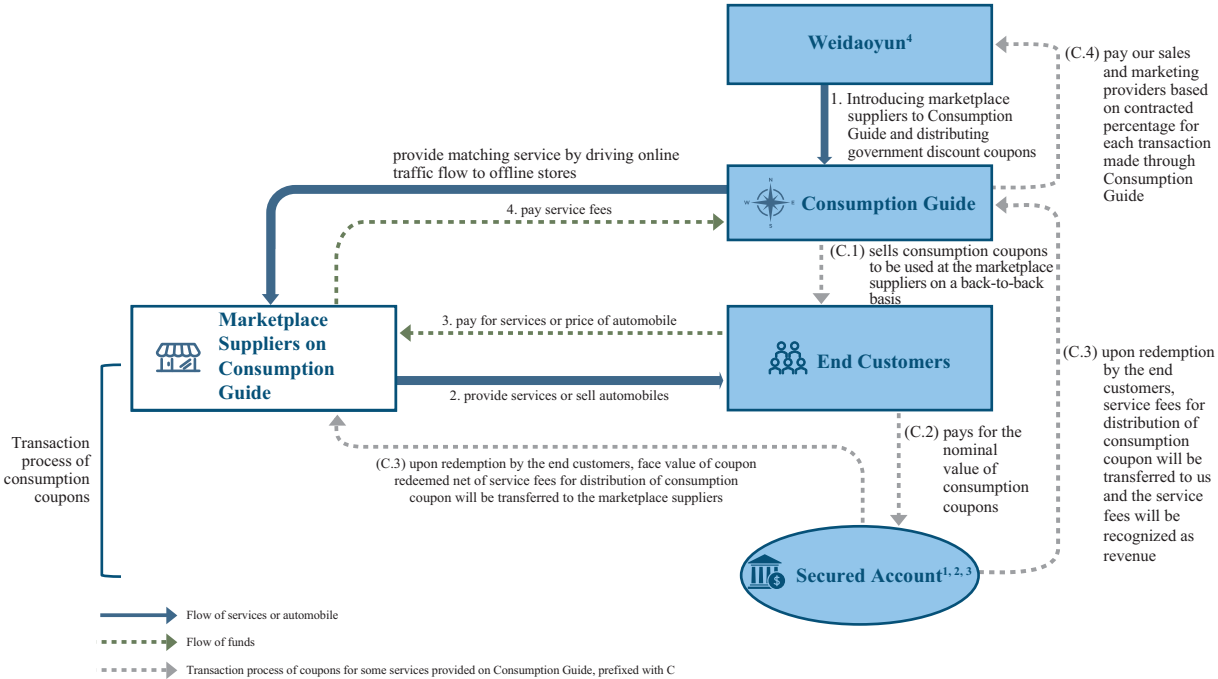
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The issuing institutions of government discount coupons typically include provincial, municipal, district and county-level local governments, as well as government departments for commerce, culture and tourism, according to Frost & Sullivan. The value of the coupons is determined by the government according to applicable policies. These coupons can be used and redeemed at government-recognized merchants.

In 2024, the automobile government discount coupons issued by governments at all levels in Beijing were distributed exclusively through fewer than ten designated institutions. According to Frost & Sullivan, distribution of government discount coupon is an effective way of attracting traffic, converting them into registered users and establishing our branding. Below are examples of government discount coupons distributed on Consumption Guide:



The following diagram illustrates the transaction process on Consumption Guide and our cooperation with our marketplace suppliers and Weidaoyun for service procedures prior to January 1, 2024.



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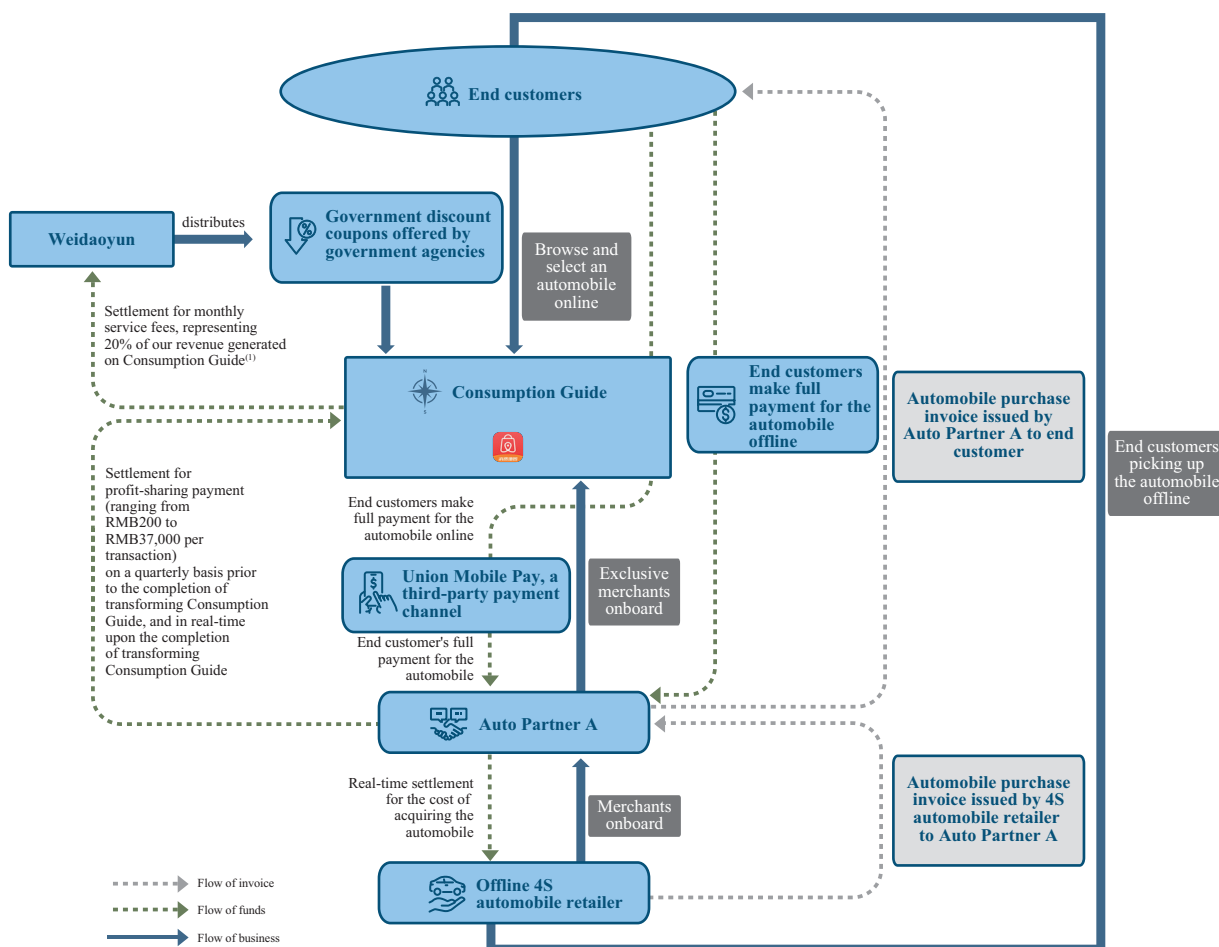
Note:

1. If the end customers eventually decide not to redeem the consumption coupons, the funds will be returned to the end customers upon application by the holders.
2. We would be notified by receiving an update on our system immediately when a coupon has been redeemed. End customers usually redeem the consumption coupons before the expiry date, if any, as indicated on the coupons, generally with an effective period ranging from ten to 35 days. However, they may obtain a refund if their coupons expire.
3. As indicated in the above diagram, payment for the nominal value, of consumption coupons will be temporarily stored in a secured account before they are redeemed. The secured account is legally owned and operated by an independent third-party payment processing company. We do not receive any cash nor realize any income when the coupons are purchased by the end customer, therefore, when the coupon expires or is left unredeemed, we are not required to reflect any accounting treatment. Once the consumption coupons are redeemed, the payment for the nominal value of the consumption coupon will be released from the secured account and distributed to the corresponding marketplace suppliers and us. During the Track Record Period, the maximum balance in the secured account was RMB5.8 million.
4. Weidaoyun is our marketing supplier. See “— Our Online Marketplaces — Consumption Guide (消費地圖) — Marketing Activities of Consumption Guide — Weidaoyun as our marketing partner” for details of our cooperation with Weidaoyun.

Considering the expected ramp-up of network of 4S automobile retailers of Auto Partner A, in January 2024, we amended the terms of our cooperation with Weidaoyun. The amended terms redefined the scope of services provided by Weidaoyun to focus on collaborating with us in the distribution of government discount coupons and they are no longer responsible for introducing marketplace suppliers to Consumption Guide. The fee arrangement was adjusted to reduce the costs directly correlated to our operation of Consumption Guide (being the Internet operation cost, which was mainly consisted of the service fees we paid to Weidaoyun). The revised agreement between Weidaoyun and us became effective on January 1, 2024. According to the amended terms, from January 1, 2024, Weidaoyun charges us service fees of 20% of our revenue generated through Consumption Guide, primarily consisting of the services fees paid by our automobile sales company partners (currently, Auto Partner A) in connection with their automobile sales. Consequently, the Internet operation cost reduced from RMB138.4 million in 2023 to RMB6.8 million in 2024. Although revenue from matching services for marketplace suppliers on Consumption Guide decreased from RMB211.1 million in 2023 to RMB32.8 million in 2024, our gross profit margin for matching service for marketplace suppliers under Consumption Guide increased from 31.2% in 2023 to 77.7% in 2024. Based on the foregoing we believe that our operations, financial performance, and business prospects will not be negatively affected even if the favorable policies for the

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automobile industry do not continue. The following diagram illustrates the transaction process on Consumption Guide and our cooperation with Auto Partner A and Weidaoyun since January 1, 2024:



Note:

- (1) Since August 1, 2025, Weidaoyun charges us (1) a basic service fee of RMB50,000 per month for the information collection service; and
- (2) an additional fee amounting to 5% of the face value of any government discount coupons being distributed on Consumption Guide.

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For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, value of transactions of marketplace suppliers introduced by Weidaoyun on Consumption Guide amounted to RMB386.3 million, RMB320.4 million, RMB1.1 million, RMB1.0 million and RMB87.8 thousand, accounting for 10.8%, 6.6%, 0.01%, 1.0% and 0.02% of the total value of transaction on our online marketplaces, respectively. The transactions between Weidaoyun and us were entered into at arm’s length. The following table sets forth revenue, cost of sales, gross profit and gross profit margin contributed from providing marketing services, including matching service and advertisement placing services, to marketplace suppliers who were introduced by Weidaoyun.

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2022	2023	2024	2024	2025
Revenue (RMB in million)	210	219	3.7	2.9	0.09
Cost of Sales (RMB in million)	136	133	2.6	2.1	0.06
Gross Profit (RMB in million)	74	86	1.1	0.8	0.03
Gross Profit Margin ¹	35%	39%	30%	29.2%	30.0%

Note:

- Our gross profit margin from providing marketing services to marketplace suppliers who were introduced by Weidaoyun was lower than our gross profit margin for our business. However, as the percentage of service fee we paid to Weidaoyun for the same marketplace suppliers Weidaoyun introduced to us decreases over time, the gross profit for these marketplace suppliers increased from 2022 to 2023. Our gross profit margin from providing marketing services to marketplace suppliers who were introduced by Weidaoyun decreased from 39% in 2023 to 30% in 2024, primarily attributable to the substantially reduced revenue and costs in 2024, after the transformation of targeted marketplace suppliers of Consumption Guid.

Optimized Partnerships with Weidaoyun and Auto Partner A

In 2025, government subsidies for promoting automobile consumption have been increasingly being given in the form of direct subsidies instead of distribution of regional discount coupons. A direct subsidy for automobile consumption by the state refers to the financial subsidy directly provided by the government to consumers when they purchase automobiles, which is usually provided in cash or deducted directly from the purchase price, instead of having the purchasers redeem discount coupons. To adapt to such a trend, the Company had proactively negotiated with Weidaoyun and Auto Partner A to update the terms of operation.

On July 25, 2025, we and Weidaoyun entered into a revised agreement which took effect on August 1, 2025. According to the revised agreement, Weidaoyun’s responsibilities has been expanded to include collating information of government car purchase subsidy across the country for displaying on Consumption Guide. In particular, Weidaoyun would, in addition to the original scope in relation to the distribution of government discount coupons, monitor and maintain a structured database of nationwide subsidy policies published by government departments at the provincial, municipal, and county levels, analyze these policies, and provide a monthly report to assist our Group in optimizing operational strategies.

According to the amended terms, from August 1, 2025, Weidaoyun would charge us (1) a basic service fee of RMB50,000 per month for the information collection service; and (2) an additional fee amounting to 5% of the face value of any government discount coupons being distributed on Consumption Guide. We believe it is reasonable to calculate the additional fee based on the face value of the government discount coupons distributed on Consumption Guide because such amount is a suitable indicator to reflect traffic amount attracted by the government discount coupons. As an illustration, in each of the first four months in 2024 during which period government discount coupons were distributed, the newly registered users on Consumption Guide were 4,186, 2,448, 7,891 and 3,855, respectively. In comparison, in May and June 2024 during which period government

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discount coupons were not distributed, the newly registered users on Consumption Guide decreased to 371 and 243, respectively. The number of newly registered users of Consumption Guide was significantly higher compared to the months when no government discount coupons were being distributed. Potential consumers would register on Consumption Guide as new users in anticipation of snatching the government discount coupon to be distributed in limited number which will further expand our customer base.

In response to the evolving trend, we have also entered into a revised agreement with Auto Partner A which took effect on August 1, 2025. Pursuant to the revised agreement, Consumption Guide will cooperate with Auto Partner A on a nationwide basis. In addition, Consumption Guide will be able to serve as the exclusive online display and marketing channel for the retail of automobiles in three regions with relatively strong subsidy support, namely, (1) Xining, Qinghai Province; (2) Shihezi, Xinjiang Uygur Autonomous Region; and (3) Sanya, Hainan Province. Auto Partner A will continue to share profit with us. The amount of profit-sharing payment depends on the selling price of automobiles sold through orders placed on Consumption Guide, typically ranging from RMB200 to RMB37,000 based on the selling price of the automobiles sold.

Despite the decrease in the availability of government discount coupons, automobile purchasers now have easy access to comprehensive information on government subsidies on Consumption Guide as our new terms of cooperation with Weidaoyun and Auto Partner A took effect on August 1, 2025. Automobile purchaser will be continued to be encouraged and facilitated in under the optimized partnerships. However, we do not rely on Weidaoyun for such services because there are various service providers that can provide us with such services.

Historical Distribution for Automobile Series

Historically, from January to July 2024, we served as an authorized distributor of the AITO series, which were a series of electric vehicles jointly launched by Seres Group and Huawei in December 2021. We invited our end customers who were interested in AITO series to an offline user experience activity. Our authorization for distributing AITO series was effective from January 2024 to July 2024. Our authorization for distributorship of AITO series was restricted to distribute AITO series to enterprise customers only (rather than our cooperation with Auto Partner A targeting end consumers) which we initially viewed as an opportunity to potentially explore new market segments. While initial attempts of distributing AITO series to enterprise customers were conducted, we did not commit any significant human or financial resources to the distribution, and the distributorship of AITO series did not yield significant results with none of AITO series sold during the authorization of distribution. We then assessed that in order to yield discernible business performance out of this distributorship, we would incur substantial operational expenses. This led us to conclude that the distributorship of AITO series to enterprise customers was not aligned with our core strengths and capabilities. Our core strengths lay in the operation of Consumption Guide as an O2O marketplace, rather than in direct sales to enterprise customers. Therefore, we did not renew the authorization for distributorship of AITO series after the authorization was expired in July 2024. In addition, the expiration of our distributorship authorization was unrelated to our collaboration with Auto Partner A or the transformation of targeted marketplace suppliers of Consumption Guide. We did not incur any penalties or costs in connection with the expiration of the distributorship authorization, as the authorization automatically lapsed at the end of the authorization period.

OTHER BUSINESSES

Advertisement Placement

To a small extent and leveraging our experience with building and operating our online marketplaces powered by QuantPlanet and analyzing customer profiles based on end customer shopping preferences, we also provided incidental advertisement placement for our business partners. For our advertisement placement services,

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we earn a service fee, being a fixed fee for advertisement placing, ranging from RMB9,700 to RMB69,800 each month depending on the type of advertisement placed.

In 2022, we placed advertisements for business partners by placing advertisements online on our marketplaces, followed by helping business partners place advertisements offline. For offline advertisements, we cooperated with local subway stations to help our business partners place advertisements, such as tunnel billboards, subway advertisement videos and screen door media. As confirmed by our PRC Legal Advisor, no additional license was required for us to carry out the aforementioned advertisement placing services as such activity was already included in the respective scope of business of our operating subsidiaries.

Historical Matching Services for Financial Institutions

During the Track Record Period, we helped financial institutions match end borrowers. Before the third quarter of 2024, we charged financial institutions a percentage of the amount of loans approved for the end customers referred by us through Yangxiaomie as commission. As we have witnessed a downward trend in revenue generated from financial institutions, from a strategic point of view, we decided to invest our resources in providing online marketplaces on Yangxiaomie which have witnessed continuous and immense growth. To that end, starting from the third quarter of 2024, we have ceased all then existing agreements with the financial institutions in connection with matching service and since then no longer generate any revenue thereunder. As a transitional arrangement, from September 12, 2024 to January 15, 2025 following the foregoing cessation, we allowed the Yangxiaomie Users to continue accessing financial institutions through H5 redirections embedded on Yangxiaomie to check and manage their existing loans. On January 16, 2025, we discontinued H5 redirections embedded on Yangxiaomie such that potential end customers cannot initiate or manage transactions with financial institutions through Yangxiaomie. As of such date, we have ceased the provision of matching services to financial institutions (or loan facilitation and traffic diversion services), and have undertaken to the relevant financial regulatory authority in Mainland China that we will not conduct such business in the future.

The following table sets forth revenue, cost of sales, gross profit and gross profit margin from service for financial institutions during the Track Record Period.

	For the Year Ended December 31,			For the five months ended May 31,	
	2022	2023	2024	2024	2025
				(unaudited)	
Revenue (RMB in thousand) . . .	56,062	107,185	32,044	30,226	—
Cost of sales (RMB in thousand)	4,978	3,370	251	207	—
Gross profit (RMB in thousand)	51,084	103,815	31,793	30,019	—
Gross profit margin	91.1%	96.9%	99.2%	99.3%	N/A

Briefly prior to mid-January 2022, during the process where we provided matching service for financial institutions, we collected personal information such as name, education, occupation, income and contact information, required for consumer loan applications from the potential end customers and verified details of the application (the “**Historical Credit Information Related Activities**”) through tag information obtained from our suppliers of data services to reduce fraud and improve the quality of end customers we source. Pursuant to the Measures for the Administration of the Credit Reporting Business (《徵信業務管理辦法》) (“**the Credit Reporting Measure**”) issued by the PBOC on September 27, 2021, which became effective on January 1, 2022, the PRC government clarified the scope of credit reporting businesses and “credit data” and included “alternative data” into the regulations. As advised by our PRC Legal Advisor, pursuant to this

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regulation, we can no longer be involved in any credit reporting business without registering with the relevant authorities starting from January 1, 2022 and the rectification of existing credit reporting businesses, if any, needs to be completed before June 30, 2023. As such, we no longer directly collect and help verify potential end customer information, and starting in January 2022, we ceased obtaining tag information from suppliers of data services. Further, in response to the Credit Reporting Measures, we began approaching our financial institution clients to proactively conduct the technology setup under our matching service for financial institutions to directly collect potential end customers’ personal information through the H5 web-page redirections without our involvement (the “**Technology Setup and Update**”) in January 2022. As the H5 redirections are operated by and registered under the financial institutions, we no longer directly collect and transmit personal credit information of the end customers to the financial institutions and the financial institutions would only assess the potential end customers’ eligibility for the loans based on personal credit information collected without our involvement which do not contravene the Credit Reporting Measure as advised by our PRC Legal Advisor as “credit reporting” services refer to “the activities of collecting, organizing, preserving, and processing credit information for enterprises and individuals, and providing it to information users” and “credit information” refers to “information that is legally collected, serves financial and other activities, and is used to identify and assess the credit status of enterprises and individuals. It includes basic information, loan information, and other relevant information, as well as analysis and evaluation information derived from the aforementioned information” according to the Credit Reporting Measures. After the Technology Setup and Update, we could refer potential end customers to financial institutions using our proprietary AI algorithms powered by QuantPlanet.

Based on the foregoing, we do not require a credit reporting license under the Credit Reporting Measures to perform the above services after completing the Technology Setup and Update for our financial institution clients in all material aspects. Furthermore, we do not collect and transmit such personal information required for consumer loan application for the of the end customers to the financial institutions and based on the confirmation issued by the PBOC in June 2022 and the results of a public search, no administrative penalty was imposed on us during the Track Record Period and as of the Latest Practicable Date, the penalty from the PBOC due to the Historical Credit Information Related Activities is remote.

For the year ended December 31, 2023, we had twelve financial institution clients, each having completed the Technology Setup and Update, which generated a revenue of RMB107.2 million, accounting for 20.2% of our total revenue. In early 2024, we have completed our Technology Setup and Update. We only resumed or commence transaction with, and generation of revenue from, each financial institution client as and when they had completed the Technology Setup and Update on a case-by-case basis.

During the Track Record Period, we provided two features on Yangxiaomie, namely, (1) installment payments to be used solely for purchase of retail goods provided by marketplace suppliers on Yangxiaomie, and (2) consumer loan, to be used at the consumer’s discretion on or outside our online marketplaces. The amount for each consumer loan facilitated ranged from RMB100 to RMB50,000 during the Track Record Period. The end customers initiating the loan applications may choose to use the installment payments feature, where the loans will be used solely on Yangxiaomie, or the consumer credit feature, where the loans can be used at the consumer’s discretion. We referred approximately 116 thousand, 212 thousand, and 57 thousand end customers to financial institutions through Yangxiaomie, in 2022, 2023 and 2024, respectively. Prior to January 2022, when we ceased to verify personal information for financial institutions, normally, we would not be liable for errors in verifying the personal information of end customers. We adapted the algorithms to different financial institutions based on their products, pricing and compliance needs to help them source potential end customers matching their customer profile. For the years ending December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, our revenue generated from financial institutions amounted to RMB56.1 million, RMB107.2 million, RMB32.0 million, RMB30.2 million and nil, respectively. As of September 12, 2024, we

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have ceased all then existing agreements with the financial institutions in connection with matching service and since then no longer generate any revenue thereunder.

For the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025, approximately 66%, 26%, 85% and 79% of our goods transaction value were funded by the Yangxiaomie Users by purchase installments, respectively. In 2023, after the COVID-19 pandemic, against the backdrop of an overall downward trend in the macro-economy, financial institutions tightened their credit policies and became more stringent in the qualification review of borrowers. As a result, both the number of users who could obtain credit facility from financial institutions and the credit amount witnessed a significant decline. In 2024, the PRC government successively introduced policies to boost consumption. These included the “Action Plan for Promoting Large-scale Equipment Upgrades and Trade-in of Consumer Goods (《推動大規模設備更新和消費品以舊換新行動方案》)” jointly issued by 14 departments including Ministry of Commerce, the “Opinions of the State Council on Promoting the High-quality Development of Service Consumption (《國務院關於促進服務消費高品質發展的意見》)” launched by the State Council, as well as various corresponding activities carried out by local provincial governments. The consumer loan policies of financial institutions showed a loosening trend thereafter, and the proportion of users who used installment payments for shopping in 2024 increased significantly compared to 2023.

SERVICE PROCEDURES

We adopt a flexible approach to provide services to our business partners to satisfy their different needs and budgets. We aim to optimize our online marketplaces and services covering the entire business cycle, including business engagement, implementation and after-sale campaign monitoring.

The following illustrates the typical procedures and flow for matching services for marketplace suppliers on Consumption Guide prior to the transformation of targeted marketplace suppliers of Consumption Guide:

- *Engagement and Planning.* We contact and engage with our business partners through business referrals. After the initial contact and upon instructions from our business partners, we plan and provide services addressing their needs, including end user matching. We adapt our algorithms to the needs of our business partners and their plan.
- *Implementation.* After confirming the service terms and signing relevant contracts, our technical support team commences the on-boarding process and conducts necessary technical preparations for such marketplace suppliers to display their goods and service on Consumption Guide.
- *Project Management and Optimization.* Our project management office, or PMO, keeps track of the feedbacks from our marketplace suppliers to constantly monitor and address their changing demands and concerns.

The following illustrates the typical procedures and flow for matching services for marketplace suppliers on Yangxiaomie:

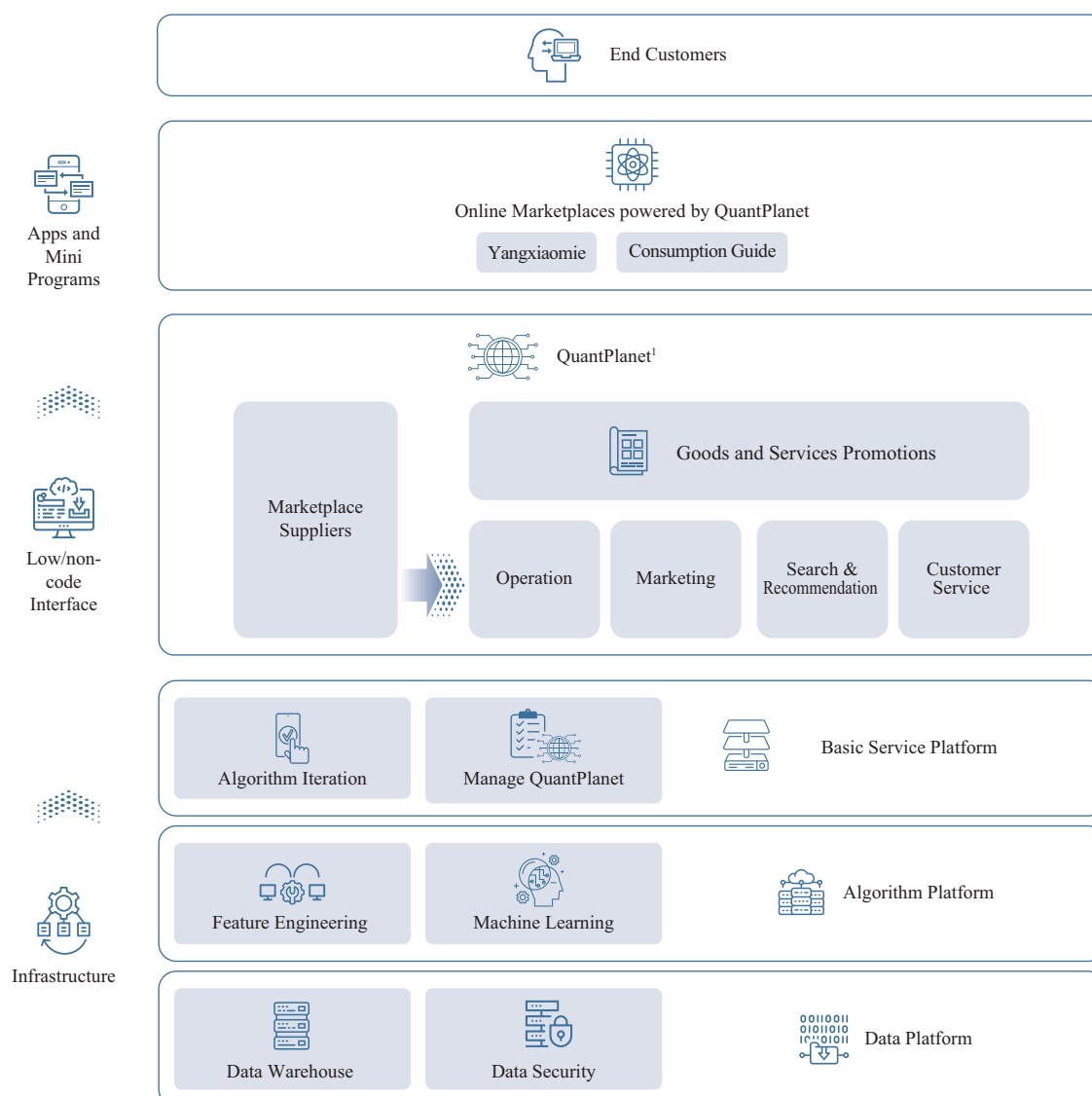
- *Engagement and Implementation.* We contact and engage with our marketplace suppliers through marketing efforts of our sales team and referrals. After signing relevant contracts, we arrange business planning for our marketplace suppliers. Our technical support team commences the on-boarding process and conducts necessary technical preparations for the marketplace suppliers to display their goods on Yangxiaomie.
- *Project Management and Optimization.* Our project management office, or PMO, keeps track of the servicing results and feedbacks from our marketplace suppliers to further adjust the algorithms, if necessary.

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OUR TECHNOLOGIES

Empowered by advanced technologies, we are committed to the operation of our online marketplaces for consumption, namely, Yangxiaomie and Consumption Guide. Though our data platform, our big data technology and AI algorithms aggregate multi-dimensional data generated from our service offering, forming a data-driven, adaptable and efficient foundation powering QuantPlanet, which supports our construction of online marketplaces. As the foundation of our technology, the data platform is used to aggregate and analyze data generated in the daily operation of our online marketplaces, supporting the data management needs of QuantPlanet, which in turn supports our business partners, and providing sufficient data for our search and recommendation algorithms to continue to learn and improve. Our QuantPlanet acts as the interface for us to empower our business partners with our platform management capabilities and algorithm technology, helping them manage and market their goods and services through online marketplaces. Through QuantPlanet, our business partners and us (on behalf of our business partners) can analyze and manage data, such as order and product information on our online marketplaces. In addition, with our search and recommendation algorithms and our platform management capabilities, we can help business partners to optimize their marketing efficiency on QuantPlanet. Our research and development personnel manage, enhance and iterate the coding layer of our QuantPlanet through our internal basic service platform. In addition, our AI algorithms further attract end customers for our business partners by automatically ranking results for searches of goods or services initiated by end customers based on their consumption pattern and presenting customized banner and product recommendations for interested end customers.

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Note:

1. We use QuantPlanet to help marketplace suppliers to manage their business.

Our Big Data Analytics Capabilities

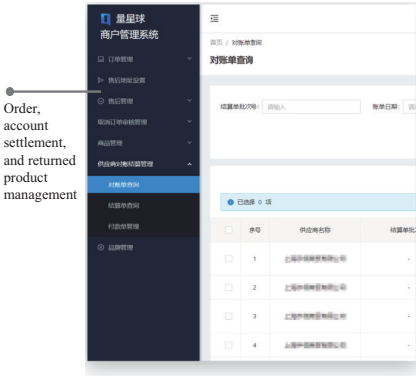
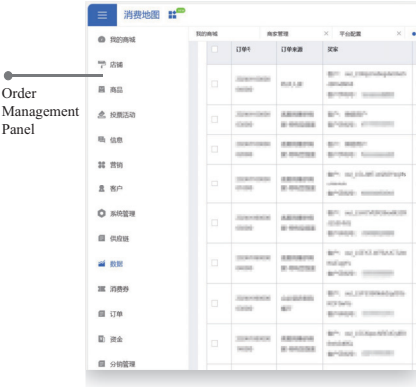
We attach significant importance to information security and protection. We have adopted multiple measures, including confidentiality categorization, access control, data encryption and desensitization to prevent unauthorized access, leakage, improper use or modification, damage or loss of personal information that belongs to our business partners and their end customers.

Our QuantPlanet Platform

Our AI-powered technology platform, QuantPlanet, is the foundational infrastructure on which our online marketplaces are built and delivered. QuantPlanet connects and empowers the matching services we provide to our business partners. QuantPlanet provides five modules for us and our business partners to manage operational process, marketing tools, end customers and goods and services through a unified interface on QuantPlanet. In addition, using QuantPlanet, we assist business partners to manage their goods and services on our online marketplaces powered by QuantPlanet.

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The following table sets out how each of our business partners utilize QuantPlanet. We do not charge our business partners any subscription fee for using QuantPlanet.

Business Partner	Usage of QuantPlanet	User Interface
Marketplace Suppliers on Yangxiaomie	Marketplace Suppliers on Yangxiaomie can manage their orders, returns and aftersales services and conduct monthly account settlement with us online through goods and services enabling module on QuantPlanet’s.	
Marketplace Suppliers on Consumption Guide	Marketplace suppliers on Consumption Guide are able to receive order notifications and manage their orders through Consumption Guide for marketplace suppliers.	

We believe QuantPlanet, interconnecting our matching services, offers the following key benefits:

- One stop solution.** QuantPlanet provides a variety of algorithms to help us and our business partners manage the operational process through our five modules, including operations, algorithm, marketing, customer service and goods and services enabling modules. Our business partners can access QuantPlanet through an API integrated with their existing operation systems. We and our business partners can also manage products and orders through the goods and services enabling module on QuantPlanet, establishing an integrated solution for business partners using multiple modules. The deeper the integration our business partners’ own system has with our platforms, the more precise and timely the feedback we can deliver to the business partners, allowing us to adjust customer differentiation automatically to identify more customers that fit the business partners’ customer profile while reducing user acquisition costs.
- Modularized structure.** Unlike other market players, we operate an open technology platform. Our QuantPlanet utilizes a framework under which each service app is designed as a stand-alone module, which can be easily adopted, individually or in combination, by new business partners with minimal incremental IT or system development efforts. QuantPlanet’s modular structure allows assembly and reassembly with ease, empowering our services to quickly adapt to business partners’ customized apps and changing needs with minimal incremental IT or system development efforts. Our business partners can select individual modules to address their specific needs according to different business operations.

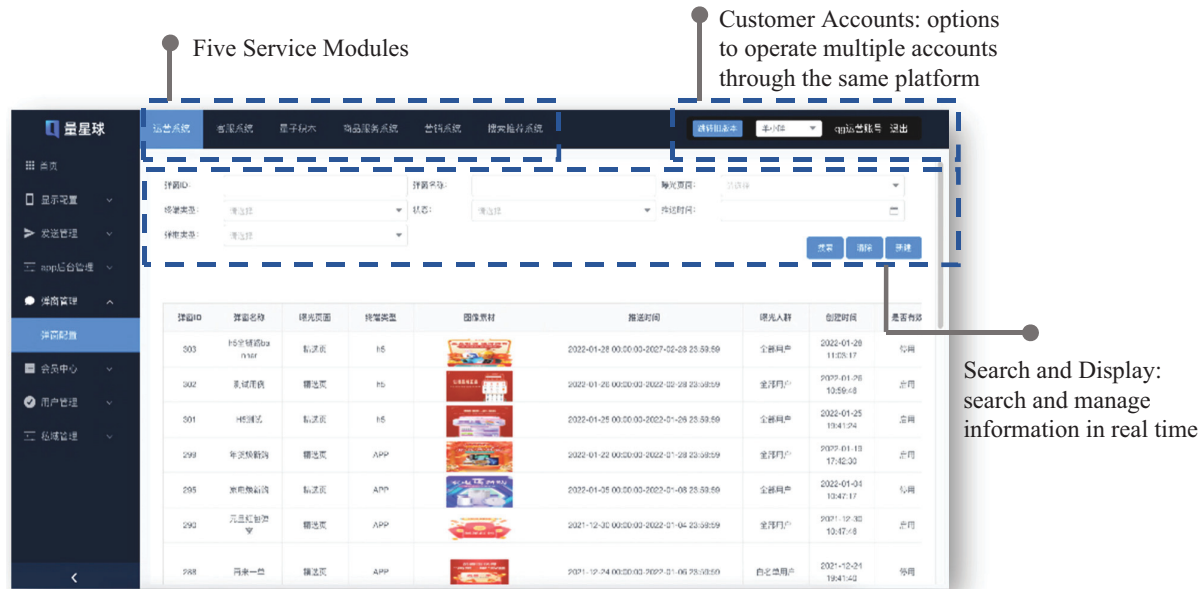
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- *Efficient analytical tools.* QuantPlanet offers an array of convenient tools to help analyze marketing and end customer information, which gives us and our business partners greater visibility into marketing efficiency and customer monetization rate. For instance, we developed algorithms, such as personalized recommendation and search engine optimization, allowing us to accurately rank search results based on end customer interest and push relevant items to them.

The following table sets forth the five modules on QuantPlanet as of December 31, 2024:

Modules	Features and functions
Operations module	Designed for us or our business partners of all industries to operate under various apps.
Algorithm module	Designed for us to help our business partners to customize information tags and identify interested end customers.
Goods and services enabling module	Designed for business partners or us to help our business partners to manage goods and services and distribution channels.
Marketing module	Helps us or our business partners to manage their marketing tools and activities.
Customer service module	Helps us or business partners to manage their post-sales services.

The following diagram displays the basic features of QuantPlanet:



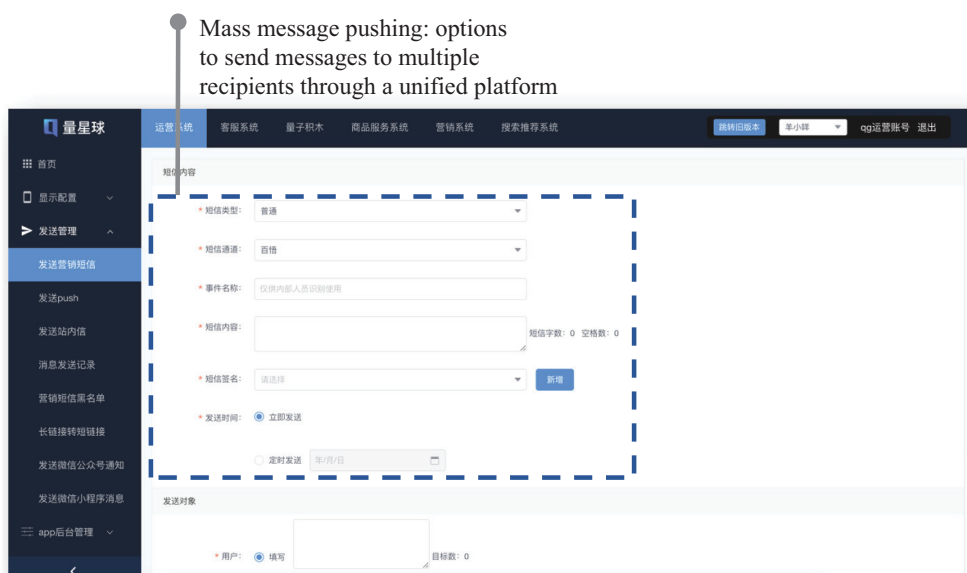
Operation Module

The operations module provides operational support for us and business partners to build and manage apps and end customers. The module helps us and business partners interact and manage end customers on their own

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apps or our online marketplaces powered by QuantPlanet through digitalized operational management, enhancing revitalizing existing customer base. It provides functions such as app management, promotion and marketing management, app backend management and membership management. We and our business partners can also use the module to manage end customers and enhance customer loyalty, by capturing the spending preferences of end customers. Based on this information, the module provides a responsive management system that helps increase the purchase frequency and purchase value of individual customers and referrals among customers. QuantPlanet offers the following key functions through the operation module:

- *Marketing and Customer Acquisition Tools:* Our operation module helps us and our business partners digitalize marketing and customer acquisition activities. It supports mass message pushing through various channels, including mobile text-messages, WeChat mini programs and WeChat official accounts, and manages pop-up windows on selected advertisement channels for business partners, enabling us and our business partners to effectively carry out marketing activities through desired channels. Through our operations module, we and our business partners can, directly or with our assistance, edit and push messages and publish articles and posts on various social media channels, managing and editing marketing activities through a single management system.



- *Member and User Management:* Our operations module establishes a management system for customer relationship and membership programs. Once end customers become a member of our online marketplaces powered by QuantPlanet or a member of our business partners' apps, the operations module allows us and our business partners, directly or with our assistance, to establish various membership tiers and track membership points, end customer activities status and referral records, allowing us and our business partners to design different sales and promotional activities corresponding to different end customer preferences and membership tiers. This system seeks to make us and our business partners' customer management systems more responsive, which in turn can help to boost repeat purchases and referrals by their customers and to increase overall purchase value.
- *App Management:* Our operations module offers an integrated apps storefront builder, including app backend management, such as home page layout management, top banner navigation and tab configuration, enabling us and our business partners, directly or with our assistance, to design storefronts and manage advertisements through various user-friendly options to edit layouts online.

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Algorithm Module

We developed personalized recommendations and smart search engines algorithms on QuantPlanet which can be used to understand user preferences and make targeted recommendations and promotions accordingly, facilitating real-time personalization. For example, we help analyze and understand end customer’s preferences based on information, such as purchase orders, products added to shopping carts and efficacy of historical product recommendation, to optimize the end-customers’ user experience on our and our business partners’ apps. Through QuantPlanet, we and our business partners can design and modify the algorithms through tools, such as smart sentence segmentation, automated Pinyin correction and synonym recommendation, and can tailor and train the algorithms to refer designated goods and services to specific end customers. In addition, our search and recommendation algorithms also effectuate efficient precision matching. Through our proprietary algorithms, we can categorize end customers into different groups by analyzing their preferences. By identifying end customers that match our business partners’ customer profile, we can refer interested end customers to them, vitalizing their customer base.

In addition, under our algorithm module, we offer a development platform, Q-Studio, for some of our business partners to customize their own search and recommendation models and analyze model results. As a non-code platform, Q-Studio equips business partners with customizable, high-quality and professionally designed technology framework enabling them to build their own algorithms without special coding skills.

Search and Edit: search sentence segmentations and add new applicable terms

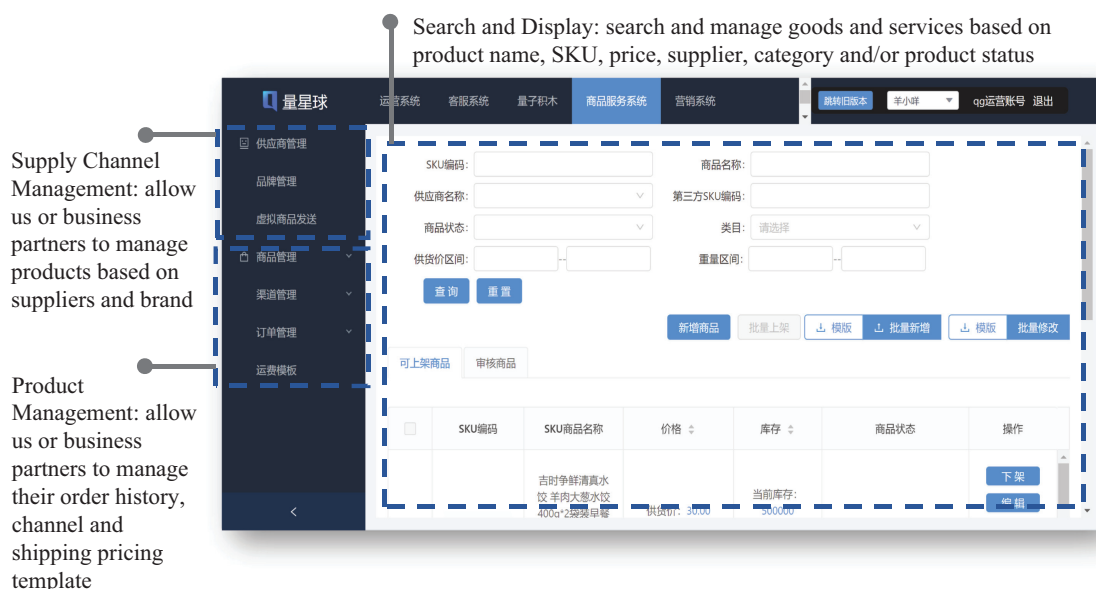
序号	Query	分词干段	操作时间	操作
1	洗衣液	洗衣液	2022-01-20 16:59	编辑 删除
2	纸尿裤	纸尿裤	2022-01-18 12:49	编辑 删除
3	云南白药牙膏	云南白药,牙膏	2022-01-18 12:47	编辑 删除
4	纸尿裤	纸尿裤	2022-01-18 12:41	编辑 删除
5	葡萄酒	葡萄酒	2022-01-18 12:40	编辑 删除
6	纸尿裤	纸尿裤	2022-01-18 12:40	编辑 删除
7	K40	K40	2022-01-18 12:38	编辑 删除
8	云南白药牙膏	云南白药,牙膏	2022-01-17 15:21	编辑 删除
9	纸尿裤	纸尿裤	2022-01-10 17:38	编辑 删除
10	云南白药,云南白药牙膏,云南白药牙膏,云南白药牙膏	云南白药,云南白药牙膏,云南白药牙膏,云南白药牙膏	2022-01-10 17:38	编辑 删除

Search and Edit: search and edit sentence segmentations to optimize search results

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Goods and Services Enabling Module

The goods and services enabling module provides us and our business partners with additional tools to facilitate effective and efficient supply and distribution of goods and services. Through the module, we and our business partners can effectively manage the distribution channels, inventory and products in a cost-effective manner, thereby facilitating faster and more efficient distribution of goods and services. Key features include product brand management, delivery management, channel management, order management and shipping pricing templates.



Marketing Module

Marketing module offers various management tools for us and our business partners to manage and track marketing and promotional activities that help attract and interact with end customers, enhance word-of-mouth promotion, gamify the online shopping experience, and increase repeat purchases. Our marketing module provides promotional plugins such as consumption coupons, special offers (特價活動), flash sales (秒殺) and group buying (拼團).

In addition, we and our business partners can set up, remove or distribute coupons or launch sales activities through a single click via QuantPlanet. We and our business partners are able to track marketing performance on different channels in real time and make prompt changes in marketing strategies accordingly to achieve the ultimate marketing goals. We and our business partners can track coupon release records through QuantPlanet and pinpoint each purchase made by specific end customers with a specific coupon ID and/or sales activity. By allowing efficient retrieval of sales records and their corresponding sales activity, we and our business partners can efficiently assess and analyze the efficacy of their marketing campaign.

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(ii) Trademark Applications

Coupon Management: allow enterprise clients to track and manage coupon distribution record and usage history

Sales Activity Management: allow enterprise clients to manage sales products and sales activity model

Search and Manage: allow enterprise clients to distribute coupons to the general public or a specific group of end customers

优惠券ID	优惠券名称	优惠券类型	优惠券面值	优惠券数量	发行数量	发行有效期	使用有效期	领取方式	状态	操作
5034	128元话费券	满减券	70	1000000000	2000	2022-01-28 00:00:00-2022-01-28 00:00:00	2022-01-28 00:00:00-2022-01-28 00:00:00	主动领取	已上架	下架 详情 再入池
5033	200元话费券	满减券	200	1000000000	5000	2022-01-28 00:00:00-2022-01-28 00:00:00	2022-01-28 00:00:00-2022-01-28 00:00:00	主动领取	已上架	下架 详情 再入池
5032	20元话费券	满减券	20	1000000000	14322	2022-01-28 00:00:00-2022-01-28 00:00:00	2022-01-28 00:00:00-2022-01-28 00:00:00	主动领取	已上架	下架 详情 再入池
5031	20元话费券	满减券	20	1000000000	36297	2022-01-28 00:00:00-2022-01-28 00:00:00	2022-01-28 00:00:00-2022-01-28 00:00:00	主动领取	已上架	下架 详情 再入池
5030	100元话费券	满减券	100	1000000000	5000	2022-01-28 00:00:00-2022-01-28 00:00:00	2022-01-28 00:00:00-2022-01-28 00:00:00	主动领取	已上架	下架 详情 再入池
5029	20元话费券	满减券	20	1000000000	23912	2022-01-28 00:00:00-2022-01-28 00:00:00	2022-01-28 00:00:00-2022-01-28 00:00:00	主动领取	已上架	下架 详情 再入池
5028	30元话费券	满减券	30	1000000000	5000	2022-01-28 00:00:00-2022-01-28 00:00:00	2022-01-28 00:00:00-2022-01-28 00:00:00	主动领取	已上架	下架 详情 再入池
5027	125元话费券	满减券	12	1000000000	5000	2022-01-28 00:00:00-2022-01-28 00:00:00	2022-01-28 00:00:00-2022-01-28 00:00:00	主动领取	已上架	下架 详情 再入池
5026	20元话费券	满减券	20	1000000000	31451	2022-01-28 00:00:00-2022-01-28 00:00:00	2022-01-28 00:00:00-2022-01-28 00:00:00	主动领取	已上架	下架 详情 再入池
5025	20元话费券	满减券	20	1000000000	100000	2022-01-28 00:00:00-2022-01-28 00:00:00	2022-01-28 00:00:00-2022-01-28 00:00:00	主动领取	已上架	下架 详情 再入池

Customer Service Module

Our customer service module helps us and our business partners to effectively manage post-sales operations through various tools. This module allows us and our business partners to digitalize post-sales operations through providing comprehensive post-sales management, recording order and billing information and reviewing canceled orders for our business partners. We and our business partners using our customer service module can track return orders and reasons for returns through QuantPlanet and respond to customer complaints and queries via a uniform platform. By assessing anonymized order information on QuantPlanet, we and our business partners can form a holistic and in-depth picture of their operations and end customers as well as receive efficient and instant feedback on their goods and services offered on the apps.

Return Order Management: help business partners to manage and approve return orders

Search and Display: search and manage information in real time

userId	姓名	注册时间	最后登录	用户等级	用户积分	有效期	优惠券详情	操作
暂无数据								

Data Source and Capabilities

We process data on an as-needed basis for our services offerings during the ordinary course of our business operations. Through operating our online marketplaces and providing matching services, we gain access to data under various apps, which can include sensitive data such as the end customers’ addresses, bank information and digital footprint. We collect data, including phone number and personal address, from our users when they register their memberships with our online marketplaces, enter into agreements and/or place orders with us on apps. We also collect authorized location information and search and browsing history while users are using our online marketplaces powered by QuantPlanet to conduct search ranking and intelligent recommendation.

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Historically prior to our Technology Setup and Update, we collected personal information, such as name, education, occupation, income and contact information from our users to verify their information for financial institutions. We ceased such collection activities in January 2022. We also procured user traffic from third-party suppliers of Internet advertising and promotion services and obtain such user’s data from them under strict data protection protocols and authorization requirements within our agreements with our online suppliers of Internet advertising and promotion services. As of the Latest Practicable Date, we no longer obtain user’s data for information verification purposes. We use substantially our users’ data to gather online traffic and analyze or understand customer spending patterns. We do not provide any access of our users’ or our clients’ end customers’ information to third parties without their consent or under the circumstances required or permitted by laws and regulations. We use algorithms to refine, standardize and desensitize underlying data to ensure data security and privacy protection.

The data we accumulate through the operation of our services provide us with valuable insights into consumer preferences as well as the needs of our business partners. Through the data analytical tools we developed, our data engineers achieve a comprehensive understanding of our business partners and their end customers by cleaning, modeling, analyzing and mining such data, and build customer insights to provide better experience and more targeted services for our business partners and their end customers. We also help our business partners increase their operational efficiency through our data analytical capabilities. We have built various big data algorithms and applications such as precise targeting, customer profile analysis, traffic analysis and personalized recommendation, through which we obtain more effective data to optimize our models and increase accuracy of data. We plan to provide more data-driven value-added services in the future, including marketing automation and fintech services.

Information Authorization

According to the relevant laws and regulations, we are required to obtain the consent from our users before collecting and using their personal data. We enter into relevant privacy agreements with the end customers, according to which we obtain the customers’ consent and authorization to collect and use their personal information and the relevant data provided and generated by our users when using our online marketplaces. We collect and use the users’ personal data within the scope of such consent and authorization only for the purpose of providing services to them, including sharing such data with business partners where necessary. Historically, we included multiple terms regarding information authorization in our agreements with our suppliers of Internet advertising and promotion services to ensure that the personal information they provided are properly authorized. Before collecting personal information, we would need to present the users with the rules of personal information collection and were only allowed to collect the information with the end customers’ proper consent without coercion, such as default consents, bundling and ceasing installation.

During the Track Record Period, we procured user traffic from our suppliers of Internet advertising and promotion services to fulfill our business partners’ needs for online traffic flow. When we obtained user’s data, we set up secured API connections with the corresponding suppliers of Internet advertising and promotion services. The APIs were pre-programmed in a pre-determined structure and format using a pre-agreed encryption method. We either required our suppliers of Internet advertising and promotion services to ensure proper and sufficient authorizations from their users and customers in collecting, using and providing us with data based on those individuals’ data or required our suppliers of Internet advertising and promotion services to guarantee that they were in compliance with laws and regulations in providing data services to us and that the data services did not infringe on any other third party’s legal rights.

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Compliance with Relevant Laws and Regulations

In recent years, with the promulgation of a series of laws and regulations related to internet security and data protection, the MIIT, the CAC and other competent authorities have taken relevant measures against some mobile apps that infringe on users’ rights and interests. These laws and regulations primarily include the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) (effective since November 1, 2021), the Data Security Law of the People’s Republic of China (the “PRC Data Security Law”) (《中華人民共和國數據安全法》) (effective since September 1, 2021), the PRC Cyber Security Law (《中華人民共和國網絡安全法》) (effective since June 1, 2017), the Interpretation of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (effective since June 1, 2017), and Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》) (effective since September 1, 2013).

Furthermore, on December 31, 2021, the CAC, MIIT, the Ministry of Public Security (the “MPS”), the Ministry of State Security (the “MSS”) promulgated the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》) (the “**Provisions on Algorithm Recommendation**”), which took effect on March 1, 2022. The Provisions on Algorithm Recommendation stipulates that algorithm recommendation service providers shall, among others, conspicuously inform users of their provision of algorithm recommendation, and publicize the basic principles, intended purposes and main operating mechanisms of algorithm recommendation services in an appropriate manner. In addition, on July 7, 2022, the CAC published the Security Assessment Measures for Outbound Data Transfers (《數據出境安全評估辦法》) (the “**Security Assessment Measures for Outbound Data Transfers**”), which took effect on September 1, 2022.

During the Track Record Period and up to the Latest Practicable Date, according to the search of public information, in the opinion of our Directors, we are not involved in any material litigation, arbitration or administrative proceedings related to infringement of personal information protection, nor are there any material litigation, arbitration or claims related to personal information protection pending or threatened against us or expected to have a material adverse effect on our business, results of operations and financial condition. Based on the above, according to our PRC Legal Advisor, we had not been involved in any material non-compliance with the applicable PRC laws and regulations governing the protection of personal information, which subject us to material administrative penalties or supervisory actions during the Track Record Period and as of the Latest Practicable Date.

In addition, we have taken measures to maintain the confidentiality of information to ensure regulatory compliance. All sensitive data is stored in our secured public cloud and encrypted using AES. We adopted a series of relevant data security measures in accordance with the requirements of the Ministry of Public Security on Network Security Protection Level III Certificate. Even if system failures occur in either of our two data clouds, the system can switch seamlessly and automatically between the two clouds in real time. We have implemented a series of data privacy protection measures, such as the diligent maintenance and regular audit of our system security logs, regular duplication of our data, strict vetting of personnel granted with access to data at different levels, and systematic security training sessions for relevant employees. Specifically, we also perform encryption through HTTPS, AES and non-AES encryption methods, when raw data is collected, to ensure data integrity and safety when being transmitted to our platform. Since the collection, storage, usage, retention and transmission of information that can be used to identify specific individuals or reflect the relevant activities of specific individuals are all subject to relevant data protection laws and regulations, the encryption of data is necessary for us to efficiently protect personal data of the end customers. Our PRC Legal Advisor is of the opinion that our big data

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analytics capabilities and the use of personal data are in compliance with all applicable PRC laws and regulations in all material aspects and we had not been found having involved in any material non-compliance with the applicable PRC laws and regulations governing the use and protection of personal information, which subject us to material administrative penalties or supervisory actions during the Track Record Period.

We have selected renowned cloud service providers with high security protection capabilities to host the end-users’ information. According to our agreements entered into with third party cloud service providers, (i) the cloud service providers shall abide by all applicable laws and regulations regarding data storage and protection and take reasonable and appropriate measures to prevent any accidental or illegal leakage of data stored, and (ii) the cloud service providers shall not access, use or disclose to any third party (unless required by laws or orders) any data stored on the cloud. However, if the public cloud fails to take adequate cybersecurity and data security safeguard measures, which causes a cybersecurity incident or data security incident occurs to it, it violates applicable laws and regulations or breaches its contract with us which results in its failure to deliver services as expected, our business operations may be materially and adversely affected. See “Risk Factors — Risks Relating to Our Business and Our Industry — Any interruptions or delays in services due to third-parties, including cloud computing server providers and other hardware and software vendors, or as a result of our inability to adequately plan for and manage service interruptions or infrastructure capacity requirements, may impair the delivery of our services, and materially and adversely affect our business and results of operations.”

Furthermore, the Company performs various AI-based security and fraud prediction and protection, such as account protection measures, where we intercept suspicious mails based on machine learning algorithms such as anomaly detection, forming blacklists, and reducing customers’ security losses. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, or any material unauthorized use of customer’s personal and medical information.

Our AI Capabilities

We believe that our technology is at the core of our service offerings and we have made significant investments in technologies, enabling us to deliver more efficient and more cost-effective services with higher performance to our business partners and target customers. With our end customer information, proprietary algorithms and computing power, we formed a virtuous cycle. Our proprietary algorithms, automatically ranking and presenting optimal search results and recommendations, empower our business partners to attract more end customers, which provides us with more information and situations in different apps that we can use to further train our models, enhancing the speed and accuracy of our search and recommendation services. Our core AI technologies include AutoML, deep learning, relational learning, NLP technologies and look-alike algorithms:

- **AutoML.** Our AutoML technology automates the process of machine learning and enables algorithms to automatically discover new patterns, construct algorithm models and select corresponding models for evaluation depending on different situations, which minimizes the ongoing involvement of AI engineers who would have been needed to continuously develop, adjust, maintain and refine the AI models.
- **Deep Learning.** Based on our deep learning technology, we have developed and continue to train our intelligent recommendation and search engine optimization algorithms. Compared with traditional e-commerce search and recommendation technology, we have built a complex deep learning algorithm framework such as multi-objective optimization that we believe achieves the best balance among multiple evaluation indicators to optimize accuracy.
- **Relational Learning.** We utilize graph technology to realize complex network-based recommendations. We analyze the association among goods and business partners by constructing relationship networks of

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end customers, and recommend goods and services with stronger association for end customers. Our relationship learning algorithm framework provides corresponding algorithm support in different stages, so that end customers can be provided with better recommendations in response to fine-grained actions such as clicking, adding, and placing orders.

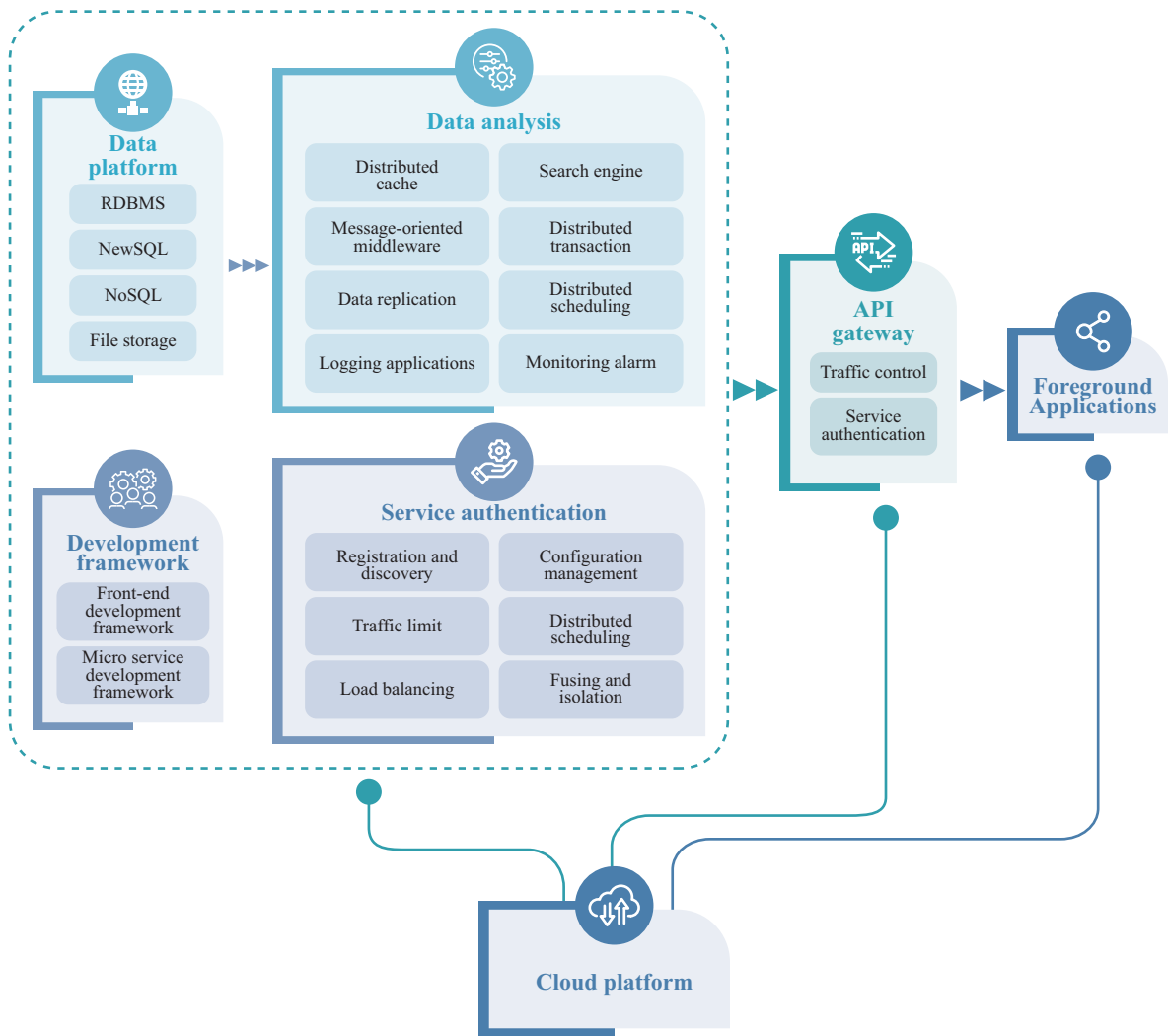
- **NLP.** Based on different apps, we use different NLP technologies to realize intelligent interaction between human and machine, improving operational efficiency for our business partners. For example, we extract comments and feedback on goods and services, automatic label products and realize automated customer service to reduce the involvement of manual customer service and increase operational efficiency.
- **Look-alike Algorithm.** To enhance conversion rate, we developed and utilized the look-alike algorithm to accurately group different end customers with similar traits to precisely market different goods and/or services.

We use unit testing to promote iteration of our services offering. Through unit testing, we examine each decision made by our AI algorithms, preventing the negative impact of anomalies.

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Our Infrastructure

Our services are built on a highly reliable, high-performance and secure cloud-based technology architecture, which enables us to timely process data and ensure that the performance of our services meet the demand of our business partners and their end customers. Based on cloud-based platform, our data platform analyzes and processes information to support our foreground apps, including QuantPlanet and our Quant-enabled online marketplaces, through secured API gateways. The following diagram illustrates our multi-level technology infrastructure:

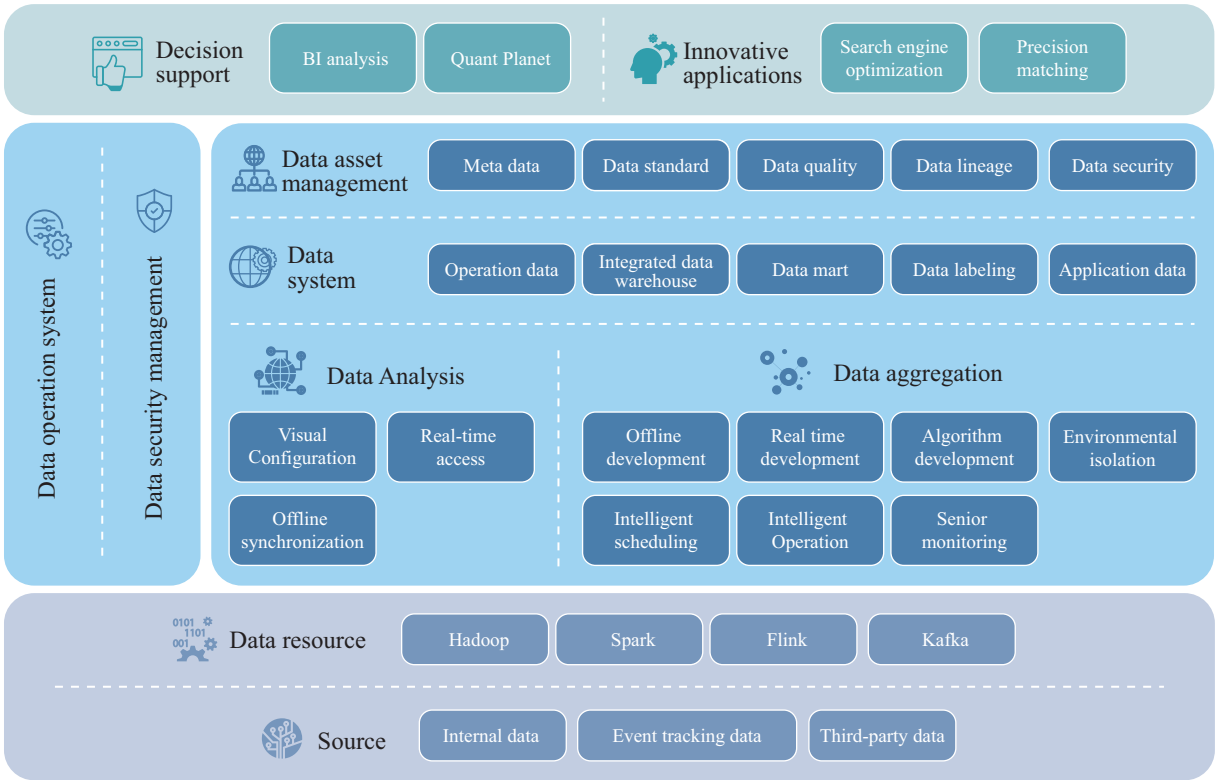


The foundation of our infrastructure — Data Platform

We use our data platform to organize and analyze information gathered during the provision of our services. At the core of our data analytical capabilities, our data platform accesses and aggregates data from our technology platform, the predecessor of QuantPlanet, and other third-party data centers, and handles massive data storage, desensitization and analysis. We leverage the analytical capabilities of our data platform to develop functionalities and applications, such as personalized recommendation and search engine optimization, which allow us to add to our end customer portfolio.

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Our data platform is designed as a low-code/non-code development environment, which enables our non-technical personnel to conduct data analysis and modeling independently without involving our technical personnel. This allows us to more efficiently achieve a comprehensive understanding of the needs of our business partners, which is valuable in forming our unique insights to enable us to provide better services to our business partners. The following diagram illustrates the structure of our data platform:



The backbone of our infrastructure — QuantPlanet

Currently, QuantPlanet comprises our five modules that interconnects all our services and supports the continued development of our business. Through our QuantPlanet, we provide integrated matching services on our online marketplaces to business partners. Our QuantPlanet is a cloud-based platform that can be installed locally through a cloud-based interface on our business partners’ device. As an interface for our business partners to manage and operate their online sales, QuantPlanet is able to offer two kinds of management methods for our business partners to manage their goods and services online. For online marketplaces powered by QuantPlanet, our business partners, through a cloud-based portal on their devices, can access and manage their products and services through the goods and services enabling module on QuantPlanet where business partners can track and manage orders and returns through the cloud-based portal and effectively launch and/or discontinue goods and services online.

Key characteristics of our QuantPlanet include the following:

- **Low-code/non-code technologies:** Low-code/non-code technologies provide a visual development environment that allows non-technical personnel to manage apps by dragging and dropping components, connecting them together and easily creating new app storefronts or advertisements.
- **Reliability and availability.** We believe that QuantPlanet is at the heart of our business. To ensure the resiliency and continuous availability of our platform, we have built it on a highly redundant, horizontally scalable and shared architecture with fault-tolerant backup servers and data centers.

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- **Scalability.** We use microservice technology to build the cloud-based architecture of QuantPlanet, which allows us to easily scale our computing resources and support unexpected traffic and order spikes as a result of marketing activities.
- **Efficient analytical capabilities.** Through our AI and data capabilities, QuantPlanet is able to analyze and understand customer spending patterns and efficiently identify interested end customers based on their digital footprint. Using deep learning algorithms, we can realize real-time personalization and automated decision making to optimize the end customers’ experience.
- **Security.** We have been accredited with various information security and data privacy certifications, including ISO 27001 — Information Security Management System Certificate (信息安全管理体系認證證書), which is testament to the security and safety level of our system. We apply data protection by adopting stringent and detailed internal policies in addition to complying with applicable laws and regulations on data protection.

Our AI Capabilities under QuantPlanet

As one of the key features of QuantPlanet, we have built our AI algorithm on technologies such as deep learning, image segmentation, CTR prediction and query classification. We integrate AI and big data capabilities into our QuantPlanet to provide business partners with personalized search, recommendation, anti-fraud and other AI solutions. Our QuantPlanet empowers business partners with AI management capabilities and enables them to design search and recommendation algorithms. The low-and/or no-code nature of QuantPlanet lowers the barrier of AI deployment, enabling deployment within a few days and without involvement of experts or other personnel with significant experience in AI.

For personalized recommendation, we use various matching technologies such as short, medium and long-term interest prediction, relationship network and vectorization. When developing our intelligent recommendation technologies, we also utilize multi-objective deep learning-based sorting algorithm to achieve real-time personalized recommendation. For our intelligent search algorithm, we use NLP-based query processing analysis and multi-category intent prediction algorithms to achieve real-time customized search. Our personalized recommendation features the following benefits:

- **Rapid time to deploy.** We have accumulated extensive experience in operating online marketplaces, which we used to train and continuously improve our search and recommendation algorithms. Our AI models continuously learn and improve by themselves through discovering new patterns in our Quant-enabled online marketplaces. Thus, our algorithms can quickly adapt to and suit the business partners’ own apps. We are able to undergo large-scale deployment in potentially just a number of days and need not to involve employees or experts with significant experience in AI.
- **Real-time recommendation and search.** Our proprietary big data capabilities utilizes AI algorithms to realize real-time personalization recommendation and search engine optimization, minimizing the ongoing involvement of AI engineers responsible for developing, adjusting, maintaining and refining the AI models.

We offer an end-to-end intelligent anti-fraud platform to empower organizations with AI technologies to manage various kinds of risk and fraudulent events. By combining machine learning technology and traditional expert rules, we can improve the overall analytical accuracy. We aim to continue to provide our business partners and their end customers with more precise and convenient services using these technologies.

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RESEARCH AND DEVELOPMENT

Our R&D Capabilities

We are committed to continuously enhancing our service offerings and technologies through innovation. Our research and development process is primarily driven by customer demands or our internal ideas for improvements and innovation, and involves collaborative efforts across multiple departments, including our other functional teams, such as sales and marketing, and product and operation. Our research and development activities aim to strengthen the core capabilities of QuantPlanet by investment in AI and analytics technologies and information security, leveraging QuantPlanet to improve services to serve the critical needs of our business partners, and optimizing and enhancing our technology infrastructure.

Our research and development team is led by Dr. Zhou, the chairman of the Board our Chief Executive Officer and headed by Mr. Zhou Qiang, our technology director, who has over 15 years of research and development experience. We have a dedicated research and development team, which consisted of 79 technical personnel constituting approximately 35% of our total employees as of May 31, 2025 with our senior R&D members averaging over 14 years of experience. More than 57.0% of our R&D staff members hold a bachelor’s degree or above related to computer sciences. Our research and development team primarily consists of product designers, project managers, product managers, website frontier engineers, user and data interface engineers, database management employees and data analysts. We evaluate our R&D staff, based on technological abilities as well as creativity across business lines.

During the Track Record Period, our research and development team worked on various major development projects, which enhanced our ability to optimize our matching services and which we believe are also essential in maintaining our competitiveness in the online marketplace for consumption industry focusing on services provided on online marketplaces for consumption. Our services and algorithms in relation to AI are all developed in-house by our research and development team. Relying on open-source technology and extensive experience accumulated, we have designed a series of software and platforms, including QuantPlanet, Yangxiaomie and Consumption Guide. From technology development perspective, our research and development personnel need to develop and maintain the front-end, middle-end and back-end system for each app we operate. The front-end system development includes design and continued iteration of our online marketplaces. The middle-end system supports QuantPlanet and develops functions that can be universally applied in all apps across different industries. The back-end system maintains our data platform and our algorithms. Beijing Quant was qualified as a High and New Technology enterprise from October 2019 to October 2022. Liangzi Data was qualified as a High and New Technology enterprise from November 2022 to November 2025.

Our development process is continually driven by innovation from our research and development team and demands from our business partners. We encourage our employees to maintain close communications with our business partners to understand their needs. We also provide our development teams with autonomy and freedom to explore new concepts in development. For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, we incurred research and development expenses of RMB60.7 million, RMB46.9 million, RMB37.4 million, RMB14.8 million and RMB21.9 million, respectively as a result of decreased headcount of our research and development staff for the development of our technological capabilities to optimize our services. See “Financial Information — Review of Historical Results of Operations” for details.

After the [REDACTED], we intend to continue to invest in our research and development capabilities and improve our technology infrastructure, including to (i) enhance our search engine optimization, (ii) enhance our smart recommendation algorithms, and (iii) enhance our matching capabilities. See “Future Plans and [REDACTED]” for details.

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Development Process

Our development process for new services can be divided into four stages. The first three stages may take from approximately two weeks to a month, depending on the complexity of the service under development, while the final stage generally takes approximately two to three days and may require ongoing updates and optimization after the launch.

- **Stage 1 Demand Analysis and Market Research:** Our marketing team compiles a list of business partners’ demands and submits the list to the product managers, who communicate with the IT department to review the demands internally. Based on the demand list, our product managers start to discuss the feasibility of the relevant project. Through discussion and generation of ideas, the teams will decide whether or not they will initiate R&D of the particular service, and the R&D of such service will proceed to the planning stage.
- **Stage 2 Planning, Design and Development:** Detailed development plans of the relevant service will be made to ensure the subsequent stages of development are carried out smoothly and efficiently. After the initial design and planning, the product managers work collaboratively with the development team to review the plan and design, including construction period evaluation. Based on the approved service design, our program developers develop the service through software coding and conduct joint-test verification to ensure the overall functionality after integrating our new service with existing systems.
- **Stage 3 Evaluation and Testing:** To ensure the quality of the service, we conduct various tests and evaluations on different aspects of the service, including functionalities, interface, performance and safety.
- **Stage 4 Launch:** Services that successfully pass the evaluation and testing in Stage 3 will be launched, based on the approval of our product managers. Once launched, such service will be publicly available for use. We conduct continuous ongoing efforts in version updates and optimizations after the launch of our services, based on business partners’ feedback and our monitoring of operational data of the services, to improve the functionality, interface and performance of the services.

INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business, and we devote significant time and resources to their development and protection. We protect our intellectual property rights through a combination of copyright, trademark and other intellectual property laws, as well as confidentiality and license agreements with our employees, suppliers, partners and others. In general, our employees must enter into a standard employment contract which includes a clause acknowledging that all inventions, trade secrets, developments and other processes generated by them on our behalf are our property, and assigning to us any ownership rights that they may claim in those works. During the Track Record Period, to the best of our knowledge, we had no instance of unauthorized use of our intellectual property. Despite our precautions, however, third parties and our employees may obtain and use intellectual property that we own or license without our consent. During the Track Record Period, we did not find any of such breaches of our intellectual property rights. However, unauthorized use of our intellectual property and the expenses incurred in protecting our intellectual property rights from such unauthorized use may adversely affect our business and results of operations. See “Risk Factors — Risks Relating to Our Business and Our Industry — We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third-parties from any unauthorized use of our technologies” in this document.

As of the Latest Practicable Date, we owned three registered domain names which we believe are material to our business. We generally renew our domain name registrations before expiration and applications for their

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renewal are usually approximately made within 12 months prior to their expiration. As of December 31, 2024, all of our registered domain names were in effect. If any of our domain name registrations cannot be renewed for any reason, the domain name registrar may deregister the relevant domain name.

As of the Latest Practicable Date, we held software copyrights with the State Copyright Bureau of China. As of the Latest Practicable Date, we owned 746 trademarks in various categories and registered with the China Trademark Office. As of the Latest Practicable Date, we held nine patents, which include algorithms related to research and recommendation, in the PRC.

SEASONALITY

Operators of online marketplace for consumption focusing on matching services commonly experience seasonal fluctuations in revenues. For example, many business partners allocate the largest portion of their budgets during holiday seasons in order to coincide with increased holiday spending. Generally, our business partners spend more on performance-based marketing in the fourth quarter of the year, as retail companies conduct most sales in the fourth quarter. We expect our revenues to continue to fluctuate based on seasonal factors that commonly affect operators of the online marketplaces for consumption. In addition, we generally experience higher sales volume on our online marketplaces powered by QuantPlanet during the marketing activities and shopping seasons, for example, the “11.11 Shopping Festival” (雙十一購物節) and the “6.18 Mid-year Shopping Festival” (618購物節). Our revenue from Yangxiaomie is generally higher in the fourth quarter compared to the rest of the year due to shopping festivals. For instance, our revenue from Yangxiaomie was RMB45.4 million for the first three months ended March 31, 2023 and RMB60.1 million for the last three months ended December 31, 2023.

COMPETITION

We expect competition we face in our business to intensify. According to Frost & Sullivan, while the top five players in the online market for consumption industry accounted for approximately 82% of the total GMV, there were around 200 online marketplaces with GMV scale from multiple billions to tens of billions in China in 2024. This indicates that the online marketplace for consumption industry is highly concentrated among the top players while encompassing a wide range of participants of diverse scales. With the continuous expansion of the online marketplace industry, and as more and more consumers have developed a habit or even dependency on making purchase through online platforms, platforms of all scales are presented with distinct and abundant opportunities to develop and sustain their business. Despite the high concentrating market share of the industry is sufficiently big with total GMV of RMB 25.7 trillion in 2024 to accommodate a niche player like us. Our direct competitors are other operators of online marketplaces for consumption of similar scale. In 2024, our GMV accounted for approximately 0.03% of the total GMV in the market of online marketplace for consumption in China.

We believe our ability to compete effectively in the online marketplaces for consumption market depends upon many factors, including functionality of our services, user experience, technology capabilities, sale capabilities, pricing and brand recognition, and reputation. Nevertheless, some of our existing competitors have greater name recognition, broader footprint, longer operating histories, larger user bases. In addition, new and enhanced technologies may further increase competition in our industries. We believe we are differentiated from our competitors by virtue of the range of our service offerings, integrated services and outstanding AI capabilities. Through our service offerings and technology capabilities, we create value for our end customers and business partners. For our Yangxiaomie Users, Yangxiaomie provides customized promotion activities and a “spend more, save more” shopping experience. Different from typical e-commerce platform operators which focus on serving end customers, we have been committed to serving business partners which are enterprises from various consumption related industry verticals since inception. Through Yangxiaomie, we are devoted to match

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them with users with higher ARPU, promoting their revenue and profitability, and provide product suppliers with continuously and rapidly growing transaction volume. For our marketplace suppliers on Yangxiaomie, save for the margin of the listed price of products paid and settlement price deducted, or, in the case of POP Store A, the commission we receive, we will not charge any other additional fees, such as store opening fees, traffic fees, which are typically charged by other E-commerce platforms, according to Frost & Sullivan.

In addition, we are one of the few designated institutions that distribute government discount coupons. In 2024, the automobile government discount coupons issued at all levels in Beijing were distributed exclusively through fewer than ten designated institutions. According to Frost & Sullivan, distribution of government discount coupon is an effective way of attracting traffic, converting them into registered users and establishing our branding.

We will also continue to innovate and improve our services to maintain our competitive advantages by further refining our QuantPlanet platform and expanding our online marketplaces to different geographic regions. See “— Our Strengths” and “— Our Strategies.” However, some of our current or future competitors may be able to develop services better accepted by customers or respond more quickly and effectively than we can to new or changing opportunities, technologies or regulations. See “Risk Factors — Risks Relating to Our Business and Our Industry — We face intensive competition in the markets in which we operate and some of our competitors may have greater resources or brand recognition than us.” The industry in which we operate is intensively competitive. If we fail to compete effectively against our competitors, our business, results of operations and financial condition may be materially and adversely affected.” See “Industry Overview” for more information of the competitive landscape of our industries.

SALES AND MARKETING

We are dedicated to creating value for business partners as we ultimately share in their success. We usually demonstrate the value of our services through one or a few entry projects, aiming to establish long-term relationship with our business partners. As we strengthen our relationship with a business partner and understand more about its strategies and business, we can understand and anticipate their needs and identify opportunities for them to adopt more of our services. Once our value has been proven, we are then able to expand our services quickly to address other business needs of our business partners.

We enhance the awareness of our brand and promote our new and existing services through both offline and online channels. We participate in various offline events, such as industry conferences and industry expos to develop relationships with industry participants and showcase our proprietary service offerings. We also market our QuantPlanet platform via our website, Enjoy Life, offering options for business partners to explore and eventually acquire the matching services supported by our QuantPlanet modules online.

For the years ended December 31, 2022, 2023 and 2024, and for the five months ended May 31, 2024 and 2025, our sales and marketing expenses amounted to RMB47.9 million, RMB109.4 million, RMB470.3 million, RMB111.4 million and RMB97.4 million, respectively. We have established a professional in-house sales team. As of May 31, 2025, we had a team of four sales and marketing employees. We believe that our strong marketing channels and strong social media presence can allow our and their end customers to become our brand advocates, which creates a strong viral marketing effect. Starting in 2022, we also cooperate with marketplace suppliers on Consumption Guide to develop our online marketplaces, attracting more business partners and end customers onto our platforms. Our sales and marketing team primarily focuses on:

- promoting our services to retailers for which we believe there is unmet market demand;
- identifying and establishing business relationships with online platforms and offline marketplace suppliers with a large or growing user base; and
- soliciting feedback from business partners to help ensure they are satisfied with our services.

BUSINESS

SALIENT TERMS OF OUR ARRANGEMENTS FOR OUR PROVISION OF MATCHING SERVICES THROUGH ONLINE MARKETPLACES

Salient terms with merchandise suppliers

The salient terms of our typical arrangements with our merchandise suppliers were as follows:

Term of service and contract renewal	One year and may be renewed 30 days before expiry.
Scope of services	We purchase products from our merchandise suppliers to transact on Yangxiaomie. Our merchandise suppliers provide trademark authorisation, display information to us.
Pricing	We pay our merchandise suppliers the purchase price of the products sold on Yangxiaomie.
Payment terms	Our credit term ranges from 1-7 days. Our merchandise supplier issues an invoice within 5 days after the end of each credit term. We settle the payment within 5 days after the issuance of an invoice.
Confidentiality	Both parties are obligated to keep confidential any non-public information disclosed during the service term and such obligation shall continue until the confidential information becomes public.

Salient terms with POP Store A

In May 2024, we entered into POP store onboarding cooperation agreement with POP Store A and onboarded it as a POP store on Yangxiaomie. The other salient terms of the foregoing agreement related to the provision of matching services to POP Store A involving goods transaction facilitation during the Track Record Period are as follows:

Term of service and contract renewal	May 1, 2024 to April 30, 2027, and is automatically renewable upon expiry unless either party provides a written notice of non-renewal at least 30 days prior to the expiration date.
Scope of services	Provision of matching services involving goods transaction facilitation to POP Store A through Yangxiaomie.
Service fee	We receive a commission being a percentage of the transaction value that POP Store A generates through Yangxiaomie, which typically ranges from 1% to 5% depending on product category.
Logistics and after-sale services	POP Store A directly delivers to the end customers the goods based on the purchase order information generated from Yangxiaomie. POP Store A is obligated to handle aftersales services.
Confidentiality	Both parties are obligated to keep confidential any non-public information disclosed during the service term and such obligation shall continue until the confidential information becomes public.

BUSINESS

Salient terms with marketplace suppliers on Consumption Guide and financial institutions

The salient terms of our typical arrangements with our marketplace suppliers and previously, financial institutions were as follows:

Term of service and contract renewal	One year and may be renewed upon expiry.
Scope of services	Provision of matching services to business partners (including marketplace suppliers on Consumption Guide and financial institutions).
Service fee	We receive a commission, being a percentage of the transaction value generated on our online marketplaces, whereby the percentage varies based on various factors, such as the duration of the loan, asset quality, market price and historical cooperation.
Payment terms	The agreements generally include a payment schedule. Credit terms may vary from agreement to agreement and we generally grant our clients a credit term up to 90 days after receipt of invoice. We generally require payments by bank transfer.
Confidentiality	Both parties are obliged to keep confidential any non-public information disclosed during the service term and such obligation shall continue until the confidential information becomes public.

The salient terms of our contracts with automobile retailers prior to January 1, 2024 were as follows:

Duration	The term of the contract is indefinite until termination.
Scope of Cooperation	We are responsible for providing (1) maintenance and updates to Consumption Guide, (2) useful responses to any issues or comments expressed by automobile retailers, and (3) reasonable guidance and training on the correct way to use Consumption Guide. The automobile retailer is responsible for running its online store in accordance with Consumption Guide’s rules of operation and its relevant supplemental agreement (if applicable).
Fees and Settlement	During the months when government discount coupons are dispatched, we charged either RMB3,000 or RMB5,000 for each automobile consumption coupon distributed, which represented either 50% or 100% of the face value of the coupon. The commission fees, coupon sales fees, and technical service fees are distributed to us in real-time with the payment of each automobile.
Liability for Breach	If the automobile retailer breaches the contract, our Company is entitled to deduct its security deposit and unsettled payments to make up our Company’s losses. If the automobile retailer leads our Company’s customers to other platforms or to other settlement methods; or uses Consumption Guide or its data illegally, our Company is entitled to demand the automobile retailer’s security deposit as liquidated damages plus other damages. If an automobile retailer breaches the contract or breaches the rules of operation, in addition to damages, our Company is entitled to, among others, immediately suspend the automobile retailer’s account and terminate the contract.

BUSINESS

Termination

Our Company has the right to unilaterally terminate the contract if: (1) the automobile retailer’s stores fails to achieve the agreed-upon sales target, (2) the automobile retailer’s store has not been maintaining normal operations for 30 days consecutively, or 45 days in total, (3) the automobile retailer fails to abide by Consumption Guide’s rules of operation and continues its violation after having been notified.

For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, our trade receivables turnover days was 157 days, 242 days, 199 days and 254 days, respectively. See “Financial Information — Certain Components of Our Consolidated Statements of Financial Position.” Our enterprise clients pay us via bank transfers and Yangxiaomie Users pay us through online payment platforms.

TOP CUSTOMERS AND SUPPLIERS

Top Customers

During the Track Record Period, our customers are mainly (1) Yangxiaomie Users (who are mainly individual end customers) purchasing goods directly on Yangxiaomie, (2) marketplace suppliers on Consumption Guide and financial institutions, collaborating with us that supplied goods and services to us. For POP store operators on Yangxiaomie, they are also considered our customers as they pay us commissions in connection with goods transactions on Yangxiaomie, whereby we recognize revenues from these transactions under such pricing model on a gross basis. See “— Top Suppliers” and “— Our Online Marketplaces” for further details. On the other hand, with respect to our collaboration with marketplace suppliers on Consumption Guide, financial institutions, enterprise clients and POP store operators, for services that we provided, we received revenue directly from them during the Track Record Period. For the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2024 and 2025, our revenue generated from Consumption Guide accounted for 43.3%, 39.9%, 3.3%, 4.6% and 1.9% of our total revenue, respectively. During the Track Record Period the merchandize suppliers that we cooperate with mainly included suppliers of consumer electronics and POP Store A. We recognized 99.8%, 99.9996%, 100.0%, 100.0% and 100.0% of the revenue generated from facilitating sales of goods provided by these marketplace suppliers for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, respectively, and 0.2%, 0.0004%, nil, nil and nil of revenue from enterprise clients for the same periods, respectively. During the Track Record Period, we had three overlapping clients using our matching services both as financial institution and as marketplace suppliers. Two of these three overlapping clients are financial institutions for which we help match borrowers for loans provided by them and match the goods for sale on their own apps to end consumers, as we attempted to expand our matching service offerings for marketplace suppliers to financial institutional clients, enabling them to sell products such as consumer electronics, clothing and personal daily care, on their apps or websites. As we had limited number of financial institutional clients during the Track Record Period, only two financial institutional client used our matching services as both financial institution and as marketplace suppliers. The remaining one is an enterprise client, namely Weidaoyun, for which we facilitated goods and services.

BUSINESS

[Note: Subject to the obtaining of the letter of consent, pending modification]

For the period ended May 31, 2025									
Customer	Background	Principal business	Number of employees	Ultimate beneficial owner(s)	Paid-up capital (RMB in million)	Business relationship with us since	Time of acquaintance	Way of acquaintance	Revenue from the customer as a percentage of our total revenue
Company A	Established in August 2022, is a company in Anhui, China primarily engaged in provision of accessories and commodities sales	Consumer goods sales company	1-10	—	—	May 2024	March 2024	Acquainted through introductions facilitated by supply chain personnel	7.95%
Auto Partner A	Established in December 2018, is a company in Beijing, China primarily engaged in retail of automobile	Automobile sales company	1-10	Chen Pengxiang (陳鵬翔) Meng Qingbin (孟慶斌)	0.015	January 2024	November 2023	Acquainted through business development by marketing personnel	1.91%
Company B	Established in August 2015, is a company in Beijing, China primarily engaged in provision of technology services	Technology services company	1-10	—	—	September 2023	September 2023	Introduced by Weidaoyun	0.02%
Customer A	Retail Customer	—	—	—	—	August 2017	August 2017	Android app store	0.01%
Company C	Established in July 2021, is a company in Henan, China primarily engaged in technology services	Technology services company	1-50	—	—	May, 2025	August 2023	Acquainted through introductions facilitated by supply chain personnel	0.01%

BUSINESS

The following tables set forth details of our top five customers for each year during the Track Record Period in terms of revenue.

For the Year Ended December 31, 2024									
Customer	Background	Principal business	Number of employees	Ultimate beneficial owner(s)	Paid-up capital (RMB in million)	Business relationship with us since	Time of acquaintance	Way of acquaintance	Type of offerings provided by the Group
Auto Partner A	Established in December 2018, is a company in Beijing, China primarily engaged in retail of automobile Northern China	Automobile sales company	1-10	Chen Pengxiang (陳鵬翔) Meng Qingbin (孟慶斌)	0.015	January 2024	November 2023	Acquainted through business development by marketing personnel	Matching services on Consumption Guide
									Revenue from the customer (RMB in thousands) 31,564 Revenue from the customer as a percentage of our total revenue 3.38%
Company A	Established in August 2022, is a company in Anhui, China primarily engaged in provision of accessories and commodities sales	Consumer goods sales company	1-10	—	—	May 2024	March 2024	Acquainted through introductions facilitated by supply chain personnel	Matching services on Yangxiaomie
									Revenue from the customer (RMB in thousands) 21,332 Revenue from the customer as a percentage of our total revenue 2.29%
Company D	Established in August 2006, is a company in Shaanxi Province, China primarily engaged in financing guarantee services	Consumer loan company	50-100	—	1,136.8	May 2023	March 2023	Acquainted through business development by marketing personnel	Financial institution services
									Revenue from the customer (RMB in thousands) 13,966 Revenue from the customer as a percentage of our total revenue 1.50%
Yingtian Guangda	Established in March 2013, is a company in Jiangxi, China primarily engaged in provision of financial loan services	Consumer loan company	1-10	Dr. Zhou Hao	500.0	September 2017	February 2017	Acquainted through business development by marketing personnel	Financial institution services
									Revenue from the customer (RMB in thousands) 12,908 Revenue from the customer as a percentage of our total revenue 1.38%

BUSINESS

For the Year Ended December 31, 2024

Customer	Background	Principal business	Number of employees	Ultimate beneficial owner(s)	Paid-up capital (RMB million)	Business relationship with us since	Time of acquaintance	Way of acquaintance	Type of offerings provided by the Group	Revenue from the customer (RMB in thousands)	Revenue from the customer as a percentage of our total revenue
Company E	Established in September 2012, is a company in Hunan, China primarily engaged in provision of financial loan services	Consumer loan company	1-10	—	1,000.0	July 2023	July 2023	Acquainted through business development by marketing personnel	Financial institution services	2,328	0.25%

For the Year Ended December 31, 2023

Customer	Background	Principal business	Number of employees	Ultimate beneficial owner(s)	Paid-up capital (RMB million)	Business relationship with us since	Time of acquaintance	Way of acquaintance	Type of offerings provided by the Group	Revenue from the customer (RMB in thousands)	Revenue from the customer as a percentage of our total revenue
Company F	Established in October 2018, is a company in Fujian, China primarily engaged in provision of online-to-offline financial lending services for individual consumers	Consumer loan company	100-200	—	500.0	November 2021	July 2020	Acquainted through business development by marketing personnel	Financial institution services	27,535	5.20%
Company D	Established in August 2006, is a company in Shaanxi Province, China primarily engaged in financing guarantee services	Consumer loan company	50-100	—	1,136.8	May 2023	March 2023	Acquainted through business development by marketing personnel	Financial institution services	26,605	5.02%
Company G	Established in July 2018, is a company in Fujian Province, China primarily engaged in financing guarantee services	Consumer loan company	1-50	—	1,000.0	October 2022	July 2022	Acquainted through business development by marketing personnel	Financial institution services	21,584	4.07%

BUSINESS

For the Year Ended December 31, 2023

Customer	Background	Principal business	Number of employees	Ultimate beneficial owner(s)	Paid-up capital (RMB in million)	Business relationship with us since	Time of acquaintance	Way of acquaintance	Type of offerings provided by the Group	Revenue from the customer (RMB in thousands)	Revenue from the customer as a percentage of our total revenue
Company H ¹	Established in August 2004 and July 2013, are companies in Beijing, China primarily engaged in the sales of automobiles and automobile parts	Automobile sales company	100-200	—	20.0	December 2022	December 2022	Introduced by Weidaoyun	Matching services on Consumption Guide	18,934	3.57%
Company I ¹	Established in March 2023, are companies in Hebei, China primarily engaged in the sales of automobiles and automobile parts	Automobile sales company	— ²	—	— ²	July 2023	July 2023	Introduced by Weidaoyun	Matching services on Consumption Guide	16,434	3.10%

- Some of our customers are automobile sales companies with a same ultimate beneficial owner and hence their transaction amounts with the Group are presented on an aggregated basis. The number of employees and paid-up capital are also presented on an aggregated basis.
- Information not publicly disclosed.

For the year Ended December 31, 2022

Customer ¹	Background	Principal business	Number of Employees	Ultimate beneficial owner(s)	Paid-up capital (RMB in million)	Business relationship with us since	Time of Acquaintance	Way of Acquaintance	Type of offerings provided by the Group	Revenue from the customer (RMB in thousands)	Revenue from the customer as a percentage of our total revenue
Company J ²	With the date of incorporation between July 2005 and January 2020, are companies in China within a same group primarily engaged in the sales of automobiles and automobile parts, including Honda, Toyota and Hongqi automobiles	Automobile sales companies	700-800	—	78.0	August 2022	September 2021	Introduced by Weidaoyun	Matching services on Consumption Guide	33,430	7.03%
Company F	Established in October 2018, is a company in Fujian, China primarily engaged in provision of online-to-offline financial lending services for individual consumers	Consumer loan company	100-200	—	500.0	November 2021	July 2020	Acquainted through business development by marketing personnel	Financial institution services	22,137	4.66%

BUSINESS

For the year Ended December 31, 2022

Customer ¹	Background	Principal business	Number of Employees	Ultimate beneficial owner(s)	Paid-up capital (RMB million)	Business relationship with us since	Time of Acquaintance	Way of Acquaintance	Type of offerings provided by the Group	Revenue from the customer (RMB in thousands)	Revenue from the customer as a percentage of our total revenue
Shaanxi Tianbang Financial Guarantee Company ^{Note 3}	Established in August 2010, is a company in Shaanxi, China primarily engaged in provision of financial guarantee services	Financial guarantee company (Commercial bank)	1-10	Yu Weifu (余衛富)	200.0	October 2020	July 2020	Acquainted through introduction by other business partner	Financial institution services	13,900	2.92%
Company K	Established in August 2018, is a company in Beijing, China primarily engaged in the sales of automobiles and automobile parts	Automobile sales company	1-10	—	— ³	October 2022	July 2022	Introduced by Weidaoyun	Matching services on Yangxiaomie	11,019	2.32%
Company L	Established in September 2020, is a company in Beijing, China primarily engaged in the sales of automobiles and automobile parts	Automobile sales company	20-30	—	4.5	August 2022	February 2022	Introduced by Weidaoyun	Matching services on Consumption Guide	10,711	2.25%

1. As relevant consents cannot be obtained, some customers' names are anonymized.

2. Eight of our customers are all automobile sales companies with a same ultimate beneficial owner and hence their transaction amounts with the Group are presented on an aggregated basis. The number of employees and paid-up capital are also presented on an aggregated basis. We help Company J to distribute consumption coupons issued by Company J on Consumption Guide. We connected with Company J through Weidaoyun, who had a long cooperation history with both Company J and us. Company J attended our offline automobile events back in May 2022 when we initiated our preliminary cooperation.

3. Information not publicly disclosed.

Notes:

- (1) Auto Partner A is an automobile sales company managing a network of 4S automobile retailers across Northern China with paid-up capital of RMB 15.0 thousand and less than 10 employees. Auto Partner A is directly held by three individuals, including two ultimate beneficial owners as disclosed in the table of top five customers of the Company for the year ended December 31, 2024 and one shareholder holding 10% of the ownership interest in Auto Partner A. Each of these individuals is an Independent Third Party. We became acquainted with Auto Partner A in November 2023 through business development by our marketing personnel.
- (2) During the Track Record Period, Yingtan Guangda was an associate of Dr. Zhou as it was an indirect subsidiary of Liangkebang, a company in which Dr. Zhou was entitled to exercise approximately 45.43% of voting rights during the Track Record Period. Dr. Zhou had disposed the entire shareholding interests he held directly and indirectly in Liangkebang on April 23, 2025 and as of the Latest Practicable Date, each of Liangkebang, and its indirect subsidiary, Yingtan Guangda, was an independent third party. See “Relationship with Our Controlling Shareholders — Our Relationship with the Retained Liangkebang Group” for further details.
- (3) As part of the financial risk management structure of the financial institution who are our business partner, we entered into an agreement with a financial guarantee company designated by the financial institution while the financial guarantee company provided guarantee for the end customers referred by us who eventually borrowed from the commercial bank. During our course of dealings with the financial institution, the financial institution had carried out routine due diligence procedures assessing our cooperation and we directly referred potential end customers through API to the financial institution. Therefore, although we signed the relevant agreement with and received payment from the financial guarantee company, the ultimate beneficiary of our services was the financial institution.

BUSINESS

Save for aforementioned instances, there was no past or present relationship or dealing (including family, business, employment, trust, fund flow, financing or otherwise) between us and our top five customers, their respective shareholders, directors or senior management, or any of their respective associates for each year during the Track Record Period.

Top Suppliers

Our suppliers, which are Yangxiaomie Users with one or more previous purchasing activities, are primarily suppliers of Internet advertising and promotion services, who help us drive online traffic from various online platforms, merchandise suppliers providing goods and services and suppliers of marketing services. Our top five suppliers for each year during the Track Record Period accounted for 53.6%, 64.5%, 68.0% and 69.8% of our total purchase amounts for each of the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively, and our largest supplier accounted for 22.5%, 22.4%, 20.4% and 24.0% of our total purchase amounts for each of the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. See “Risk Factors — Risks Relating to Our Business and Our Industry — Our purchase amounts were concentrated among a limited number of suppliers during the Track Record Period.” We generally sign contracts with our suppliers, which generally may be terminated by one party by giving an average of 30 days of prior notice to the other party. We generally have a credit term ranging from 1-90 days with our suppliers. We pay our suppliers via bank transfers.

We consider the merchandise suppliers that fulfill goods transactions through Yangxiaomie our suppliers as we primarily pay them in cash in connection with goods transactions we facilitate. We recognize revenues from transactions under such pricing model on a net basis. See “— Our Online Marketplaces — Yangxiaomie (羊小咩) — marketplace suppliers on Yangxiaomie — Merchandise suppliers” for further details.

The following tables set forth details of our top five suppliers for each year/period during the Track Record Period.^{Note}

For the period ended May 31, 2025					
Supplier	Principal business	Business relationship with us since	Type of offerings supplied to the Group	Purchase amounts (RMB in thousands)	Purchase amounts as a percentage of our total purchase amounts
Company M	Jewelry retail company	September 2024	Provision of goods and services as marketplace supplier on Yangxiaomie	404,632	24.03%
Company N	Jewelry retail company	December 2024	Provision of goods and services as marketplace supplier on Yangxiaomie	314,233	18.66%
Company O	Electronic products retail company	November 2024	Provision of goods and services as marketplace supplier on Yangxiaomie	178,287	10.59%

BUSINESS

For the period ended May 31, 2025

Supplier	Principal business	Business relationship with us since	Type of offerings supplied to the Group	Purchase amounts (RMB in thousands)	Purchase amounts as a percentage of our total purchase amounts
Tianjin Wanxin Xunshi Technology Co., Ltd	Electronic products, and computer hardware and software retail company	November 2023	Provision of goods and services as marketplace supplier on Yangxiaomie	165,452	9.82%
Company C	Technology services provider company	June 2024	Provision of goods and services as marketplace supplier on Yangxiaomie	112,436	6.68%

For the Year Ended December 31, 2024

Supplier	Principal business	Business relationship with us since	Type of services supplied to the Group	Purchase amounts (RMB in thousands)	Purchase amounts as a percentage of our total purchase amounts
Tianjin Wanxin Xunshi Technology Co., Ltd	Electronic products, and computer hardware and software retail company	November 2023	Provision of goods and services as marketplace supplier on Yangxiaomie	913,483	20.40%
Company P	Electronic products, automobiles and automotive parts retail company	October 2023	Provision of goods and services as marketplace supplier on Consumption Guide	796,366	17.79%
Company Q	Jewelry retail company	December 2023	Provision of goods and services as marketplace supplier on Yangxiaomie	672,584	15.02%
Company R	Communication equipments retail company	September 2023	Provision of goods and services as marketplace supplier on Yangxiaomie	348,698	7.79%
Company M	Jewelry retail company	September 2024	Provision of goods and services as marketplace supplier on Yangxiaomie	314,220	7.02%

BUSINESS

Note:

1. As relevant consents cannot be obtained, additional information on the anonymized suppliers is provided as follow:
 - Company P, established in March 2016 with a registered capital of RMB10.0 million, is a company in Beijing, China primarily engaged in sales of electronic products, automobiles and automotive parts.
 - Company Q, established in March 2016 with a registered capital of RMB50.0 million, is a company in Shenzhen, China primarily engaged in sales of jewelry.
 - Company R, established in January 2010 with a registered capital of RMB10.0 million, is a company in Shanghai, China primarily engaged in sales of communication equipment
 - Company M, established in March 2006 with a registered capital of RMB100.0 million, is a company in Shenzhen, China primarily engaged in sales of jewelry.

For the Year Ended December 31, 2023

Supplier	Principal business	Business relationship with us since	Type of services supplied to the Group	Purchase amounts (RMB in thousands)	Purchase amounts as a percentage of our total purchase amounts
Beijing Xinlian Weiye Technology Co., Ltd	Supply chain management services provider and clothing and jewelry retail company	August 2022	Provision of goods and services as marketplace supplier on Yangxiaomie	387,658	22.41%
Company S	Technology services provider and computer hardware and software and electronic products retail company	October 2021	Provision of goods and services as marketplace supplier on Yangxiaomie	240,641	13.91%
Guangdong Zhonghaosen Information Technology Co., Ltd.	Cosmetics and necessities retail company	August 2021	Provision of goods and services as marketplace supplier on Yangxiaomie	182,170	10.53%
Chengdu Qimiyuan Technology Co., Ltd.	Agricultural and sideline products and communication equipments retail company	May 2022	Provision of goods and services as marketplace supplier on Yangxiaomie	161,656	9.35%
Weidaoyun	Sales and Marketing company	September 2021	Marketing services for Consumption Guide	142,985	8.27%

Note:

1. As relevant consents cannot be obtained, additional information on the anonymized suppliers is provided as follow:
 - Company S, established in March 2017, with a registered capital of RMB1.0 million, is a company in Beijing, China primarily engaged in software development and sales of computer hardware and software and electronic products.

BUSINESS

For the Year Ended December 31, 2022

Supplier ¹	Principal business	Business relationship with us since	Type of services supplied to the Group	Purchase amounts (RMB in thousands)	Purchase amounts as a percentage of our total purchase amounts
Chengdu Qimiyuan Technology Co., Ltd.	Agricultural and sideline products and communication equipments retail company	May 2022	Provision of goods and services as marketplace supplier on Yangxiaomie	388,105	22.53%
Beijing Xinlian Weiye Technology Co., Ltd.	Supply chain management services provider and clothing and jewelry retail company	August 2022	Provision of goods and services as marketplace supplier on Yangxiaomie	158,821	9.22%
Company T	Electronic products retail company	August 2021	Provision of goods and services as marketplace supplier on Yangxiaomie	146,078	8.47%
Weidaoyun	Sales and Marketing company	September 2021	Marketing services for Consumption Guide	136,056	7.90%
Guangdong Zhonghaosen Information Technology Co., Ltd.	Cosmetics and necessities retail company	August 2021	Provision of goods and services as marketplace supplier on Yangxiaomie	94,421	5.48%

Note: Purchase amounts in the tables above include purchase amounts paid to our business partners, as such amounts were primarily paid in cash in connection with goods transactions we facilitate in our online marketplaces. We do not record such amounts as cost of sales, as revenue and cost of sales in connection with matching services for marketplace suppliers on Yangxiaomie are recorded on a net basis. See and “Financial Information — Critical Accounting Policies, Judgment and Estimates — Material Accounting Policies — Revenue Recognition — Matching Services for Marketplace Suppliers on Yangxiaomie” for further details.

- As relevant consents cannot be obtained, additional information on the anonymized suppliers is provided as follow:
 - Company T, established in August 2017 with a registered capital of RMB30.0 million, is a company in Beijing, China primarily engaged in sales of electronic products.

The quality of goods and services offered for sale through our online marketplaces and to our business partners is vital to maintaining our reputation and competitiveness. We have detailed standards and procedures for customer complaints and returns. See “— Internal Control and Risk Management.” We sometimes compensate end customers for defective and unqualified goods when business partners refuse to accept returns to preserve customer loyalty. During the Track Record Period and up to the Latest Practicable Date, we did not, due to material quality issues, receive any significant product return request from end customers or receive any material complaints from end customers that have material adverse effect on our normal course of business. During the Track Record Period and up to the Latest Practicable Date, we were not fined or penalized by regulatory bodies in the PRC due to the defective quality of the products we sold on Yangxiaomie.

BUSINESS

In addition, Mr. Li Yan, our executive Director and the chief strategic officer, holds 99.7% of interest in Beijing Fengsheng Capital Management Co., Ltd. (“**Beijing Fengsheng**”) (北京豐升資本管理有限責任公司), which is the general partner of Jiaxing Fengsheng No.2 Equity Investment Partnership (Limited Partnership) (嘉興豐升貳號股權投資合夥企業(有限合夥)) (“**Jiaxing Fengsheng**”) that holds 8.6% of equity interest in Weidaoyun, one of our top five suppliers in 2022. Jiaxing Fengsheng invested in Weidaoyun in October 2021. Mr. Li Yan, besides being the executive Director and the chief strategic officer of our Group, is also a professional financial investor, who holds partnership interests in a series of investment partnerships directly or through Beijing Fengsheng. As of the Latest Practicable Date, Mr. Li Yan, directly or through such partnerships, made investment or held interests in 11 companies, which he or his partnerships are not involved in the management or control of. The daily operation of these investees was entrusted with their respective managers, which Mr. Li Yan and Beijing Fengsheng cannot control the appointment of. Beijing Fengsheng’s day-to-day management was undertaken by a team of six professional investors, five out of whom were equipped with Certification of Fund Practice Qualification (基金從業資格證書). As confirmed by Beijing Fengsheng and Mr. Li Yan, it was not involved in the management of, or otherwise control any director/board of directors or any of the other shareholders of Weidaoyun. Each of the other investees of Beijing Fengsheng has independent operating departments from Beijing Fengsheng and Mr. Li Yan, including human resource, legal, finance and administration departments. Save for the aforementioned, during the Track Record Period, none of our Directors, their close associates or any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of our Company’s issued share capital) had any interest in any of our top five suppliers for each year during the Track Record Period.

Our Relationship with Suppliers of Internet Advertising and Promotion Services

We attract end customers using services provided by suppliers of Internet advertising and promotion services. These suppliers help drive online traffic from various online platforms to us through API. We select our suppliers of Internet advertising and promotion services based on various criteria, including market recognition and past experience, stable source of end customers and compliance with relevant data security and authorization regulations. In 2022, 2023 and 2024 and for the five months ended May 31, 2025, our Internet advertising and promotion expense accounted for nil, 16.3%, 2.2% and nil of our sales and marketing expenses, respectively. During the Track Record Period, our Internet advertising and promotion expense fluctuated, primarily due to varying demands for Internet advertising and promotion services. As we strategically increased our resources in Yangxiaomie and enhanced our advertising and marketing efforts on Yangxiaomie starting in the third quarter of 2023, our demand for Internet advertising and promotion services rebounded starting in 2023. The major terms under the framework cooperation agreements with our suppliers of Internet advertising and promotion services typically include:

- *Term.* The term of cooperation was typically one year.
- *Charge.* We paid suppliers of Internet advertising and promotion services a service fee for each user registered on our online marketplaces that was referred by them.
- *Services.* Our suppliers of Internet advertising and promotion services provide promotional services for our products on different social media and financial institution platforms and refer consumers to us. The agreements required our suppliers of Internet advertising and promotion services to ensure that information obtained from end customers was properly authorized and the data transmission channels were safely secured according to relevant regulations.
- *Termination.* The agreement may be terminated by one-day notice from us. We have terminated all cooperation agreements with our third-party suppliers of Internet advertising and promotion services in 2022 as we use online marketplaces powered by QuantPlanet to source end customers.

BUSINESS

Overlapping of Customers and Suppliers

During the Track Record Period, some of our suppliers of Internet advertising and promotion services were also clients who use our matching services. The number of overlapping clients and suppliers were three, one, one, one in 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. According to Frost & Sullivan, enterprises which demand matching services have access to traffic pools and may act as suppliers of Internet advertising and promotion services to matching service providers. Each of the overlapping clients and suppliers is an independent third party. Our Directors confirmed that negotiations of the terms of our sales to and purchases from these companies were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. The revenues generated from overlapping clients and suppliers as a percentage of our revenues were 0.36%, 0.0004%, 0.10% and 0.0083% in 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. The services purchased from these companies as a percentage of our total purchase amounts were 7.91%, 8.27%, 0.02% and 7.12% in 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively. Our Directors confirmed that all of our sales to and purchases from these companies were conducted in the ordinary course of business under normal commercial terms and on arm’s length basis. According to the Frost & Sullivan Report, it is not uncommon for providers of matching services to have their customers that are also their suppliers.

Weidaoyun, as one of our customers in 2022, and 2023, was also considered our top supplier in 2022 and 2023. We began our business collaboration with Weidaoyun since 2021 and have maintained a good and continuous relationship with it. We helped Weidaoyun operate proprietary local consumption apps, such as Xingfuhui, and Weidaoyun serves as our partner in introducing marketplace suppliers and expanding the services to new geographic areas for Consumption Guide. Prior to February 2022, Weidaoyun was considered our customer as they collect all service fees from marketplace suppliers and share a percentage of the revenue generated with us. Since February 2022, we have modified our arrangements and all transaction values now flow through us, where the end customers on these local consumption apps pay us directly and we share a percentage of the revenue generated with Weidaoyun each month and hence Weidaoyun became our supplier. For the years ended December 31, 2022, 2023 and 2024, we recognized RMB19.8 thousand, RMB2.1 thousand and nil of revenue from Weidaoyun, accounting for 0.004%, 0.0004% and nil of our total revenue in 2022, 2023 and 2024, respectively.

EMPLOYEES

As of May 31, 2025, we had seven offices in China with a total of 225 full-time employees based in Beijing. During the Track Record Period, all of our employees were directly employed by us. The table below sets forth our employees by functions as of the May 31, 2025:

<u>Function</u>	<u>Number of Employees</u>	<u>% of Total</u>
Online marketplaces Management	49	21.8
Research and Development	79	35.1
Administration and Management	59	26.2
Operation and Finance Department	38	16.9
Total	<u>225</u>	<u>100.0</u>

Our success depends on our ability to attract, retain and motivate qualified personnel. We adopt high standards in recruitment to ensure the quality of new hires. We use various methods for our recruitment, including online recruitment and internal recommendation and recruitment through recruiting firms, to satisfy our demand for different types of talents. We provide robust training programs for our employees, which we believe are effective in equipping them with necessary skillset and work ethics.

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We enter into standard contracts and agreements regarding confidentiality, intellectual property, employment and non-compete with all of our executive officers and all of our employees. These contracts typically include a non-compete provision and a confidentiality provision effective during and up to 12 months after their termination of employment relationship with us.

As required by PRC laws and regulations, we participated in various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity leave insurance, and to mandatory housing accumulation funds, for or on behalf of our employees.

INSURANCE

We do not maintain any business interruption insurance, general business insurance related to our agreements with business partners, or product liability insurance, which are not mandatory under PRC laws. Our practice is line with industry norm. We do not maintain keyman life insurance, insurance policies covering damages to our network infrastructures or information technology systems or any insurance policies for our properties.

During the Track Record Period, we did not make any material insurance claims in relation to our business. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. See “Risk Factors — Risks Relating to Our Business and Our Industry — We may not have sufficient insurance coverage to cover our potential liability or losses and as a result, our business, financial conditions, results of operations and prospects may be materially and adversely affected should any such liability or losses arise” in this document for details.

PROPERTY

As of the Latest Practicable Date, we leased four properties in the PRC with an aggregate gross floor area of approximately 2,507.7 square meters. Our leased properties are primarily used as premises for our offices. The relevant one lease agreements, whose lease expiration dates are October 31, 2026 and September 15, 2025, respectively, are all with renewal options. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules.

As of the Latest Practicable Date, the actual use of one property we leased was inconsistent with the usage set out in its title certificate. This property is used as our office. As advised by our PRC Legal Advisor, it is the lessors’ responsibility to obtain the appropriate title certificates and ensure the actual usage is consistent with the approved usage, and we, as the tenant, will not be subject to any administrative punishment or penalties because of the lessors’ failure to ensure consistency of intended and actual usage. We, however, face uncertainties in the use of our leased property if any third party challenges such lease. We believe that the inconsistent land use will not materially affect our operation even if we were required to vacate the property because (i) pursuant to the lease agreement, we are entitled for indemnification from the lessor for breach of the relevant lease agreement due to inability to carry out the lease term, which, as advised by our PRC Legal Advisor, includes vacating the property for inconsistency between our actual use and permitted use of the leased property; and (ii) as the leased property was used as our office with no specific functional or locational requirements, we would be able to relocate to different sites relatively easily, without incurring any significant additional costs should we be required to do so. In addition, during the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, our lease with respect to the abovementioned leased property had never been challenged by any third parties. See “Risk Factors — Risks Relating to Our Business and Industry — Our leased property interests may be defective and our right to lease or use the property may be affected.”

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As of the Latest Practicable Date, we had not registered the lease agreements for two out of four aforementioned leased properties with the local housing administration authorities as required under PRC laws. Our PRC Legal Advisor has advised us that although the non-registration of such lease agreements would not affect the validity of such agreements under PRC laws and regulations, we might be ordered to rectify this non-registration by competent authorities and if we fail to rectify within a prescribed period, an administrative penalty of RMB1,000 to RMB10,000 for each non-registered case may be imposed on us as a result of such non-registration. As of the Latest Practicable Date, we had not received any notice from any regulatory authority with respect to potential administrative penalties as a result of our failure to register the lease agreements described above. According to the applicable PRC laws and regulations, in situations where a lessor lacks evidence of the title or the right to lease, the relevant lease agreement may not be valid or enforceable, and we may face challenges from third parties regarding our leasehold rights. As of the Latest Practicable Date, lessors of two leased property had not provided us with valid title certificate or relevant authorization documents evidencing its rights to lease the property to us. Our Directors confirm that in the event that we are unable to enforce this lease and are required to relocate due to the defective title of the leased property or the invalidity of the lease agreement, we will be able to find other premises as substitution. In addition, we implemented enhanced site selection policies, pursuant to which our legal team shall review the lease agreements together with a standardized site selection checklist covering all material compliance aspects including availability of title certificate and land use specifications. We will organize training programs for the relevant employees to familiarize them with our site selection manual and more importantly, applicable laws, regulations and local policies, which enable them to identify and collect sufficient and valid licenses, certificates and other relevant documents for each type of properties during the site selection process. The legal team will then review and verify the completeness and authenticity of such documents collected, and perform assessment on the compliance status of a potential new premises. Our Directors are of the view that the defective title will not have a material adverse impact on our business or financial condition. For further details, see “Risk Factors — Risks Relating to Our Business and Our Industry — Our leased property interests may be defective and our right to lease or use the property may be affected.”

According to section 6(2) of the Companies (Exemption of Companies and Documentes from Compliance with Provisions) Notice (Chapter 32L), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which require a valuation report with respect to all of our Group’s interests in land or buildings, for the reason that, as of December 31, 2024, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets.

LICENSES AND PERMITS

As of the Latest Practicable Date, our PRC Legal Advisor has advised us that we had obtained all requisite licenses, approvals and permits from the relevant government authorities that were material for our business operations in China, and such licenses, approvals and permits remained in full. As we held following license and permits to carry out our matching services through our online marketplaces, we have not been notified by the relevant regulatory authorities to obtain other qualifications during the Track Record Period, and were not penalized by any regulatory authorities for failing to obtain the relevant qualifications for carrying out our matching business.

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The following table sets out a list of material licenses and permits currently held by us:

<u>License/Permit</u>	<u>Entity holding the license/Permit</u>	<u>Expiration Date</u>
ICP License	Liangzi Data	2026/12/31
Certificate of High & New Technological Enterprise	Liangzi Data	2025/11/01
Filing of Generative AI Model Liangxingwen (量星問生成式人工智能服务备案)	Liangzi Data	N/A
ICP License	Beijing Quant	2026/01/13
EDI License	Beijing Quant	2026/01/13
Filing of Personalized Product Recommendation Algorithm on Yangxiaomie (羊小咩商城商品个性化推送算法备案)	Beijing Quant	N/A

We have developed a generative AI product with deep logical reasoning capabilities called Liangxingwen, which has not been launched and remains under iterative refinement for broader application scenarios. In October 2024, we completed the filing of the generative AI algorithm Liangxingwen with the CAC. The development process spanned from March to November 2024, encompassing key phases including requirements analysis and solution design, data preparation and preprocessing, model training and fine-tuning, capability evaluation and safety audits, and subsequent ongoing optimization. Integrated into our business operations, Liangxingwen is expected to enhance user engagement through its proprietary recommendation model that leverages large language models to analyze intent and deliver data-driven suggestions sourced exclusively from our Quant-enabled online marketplaces. We plan to further upgrade Liangxingwen to let users search for products in natural language within our online marketplaces in the future.

AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and recognitions in connection with our business. Some of the significant awards and recognitions we have received are set forth below. See also “History, Reorganization and Corporate Structure — Key milestones” for other accolades that we have received.

<u>Award/Recognition</u>	<u>Award Year</u>	<u>Awarding Institution/Authority</u>
2025 Forbes China Pioneer Innovators in Industry Development, Dr. ZHOU Hao	2025	Forbes China
Top 10 Innovative Enterprises Award	2024	China International Artificial Intelligence Conference Organizing Committee and Artificial Intelligence Industry Innovation Evaluation Organizing Committee
Hurun Global Cheetah Index	2024	Hurun Research Institute
The 18th Beijing Invention and Innovation Competition Finalist Award	2024	Beijing Invention Association and Beijing Workers’ Technical Association

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<u>Award/Recognition</u>	<u>Award Year</u>	<u>Awarding Institution/Authority</u>
2024 National “AI+” Action Innovation Case Top 100	2024	The Internet Weekly, Research Center for Informatization of the Chinese Academy of Social Sciences, eNet Research Centre and Deben Consulting (Beijing) Limited
2024 Forbes China New Era Distrptive Founders, Dr. ZHOU Hao	2024	Forbes China Global Business Research Center (GBRC)
2024 40th Anniversary Leader of Outstanding Performance, Best Business Innovation Leader, Dr. ZHOU Hao	2024	China Business News
Technology Enterprise Innovation Management Excellence Award, Dr. ZHOU Hao	2024	Top 100 Hong Kong Listed Companies Research Centre
ESG Pioneer Practitioner Case	2023	Securities Daily
REAL 100 Innovators	2023	Jiemian News
Next 50 in China: Digital Enterprise Service Providers	2023	The committee of World Innovators Meet 2022 organized by EqualOcean
2023 Technology Enterprise Social Responsibility Award	2023	Syobserve.com and Gongyidaily.com
2022 Leading Digitalized Empowerment Enterprise	2022	The Internet Weekly, Research Center for Informatization of the Chinese Academy of Social Sciences, eNet Research Centre and Deben Consulting (Beijing) Limited
2022 Highest Investment Value Award	2022	The committee of The 11 th 2022 Finance Summit
Digitalization Solutions Award	2022	The committee of 2022 International Sci-Tech innovation Festival
China Digital Transformation and Innovation Awards — Artificial Intelligence Innovation Product	2022	Digital Industry Innovation Research Center, Jnexpert.com and Chief Digital Officer
Artificial Intelligence Brand of the Year Award	2021	The Internet Weekly
Top 40 China Digitalization Service Providers	2021	EqualOcean
China Artificial Intelligence Leader of the Year	2021	Soft6 & HAP Academy
Top 10 Most Influential and Innovative Companies in Corporate Services of the Year	2021	Leiyunwang
2020 Data Intelligence Industry “Power of Computing Top 20”	2021	Algorithm Think Tank
2020 China’s Top 50 Artificial Intelligence Leading Companies	2020	QbitAI

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HEALTH, SAFETY, SOCIAL AND ENVIRONMENTAL PROTECTION

Governance

Sound corporate governance forms the foundation of our operations. We believe that establishing and implementing sound environmental, social and governance (“ESG”) principles and practices will help enhance the investment value of an enterprise and provide long-term returns to our stakeholders. The Board has the overall responsibility of overseeing sustainability issues related to our operations and strategy. By setting a strategic direction, the Board sets a clear vision and strategy that underpin our ESG measures or systems and reflect our core values. The Board will adopt the following approaches to identify, manage and review material ESG issues:

- *Identify.* The Board will from time to time engage key stakeholders, including our major customers, management team and employees to identify material ESG issues and risks inherent in our business operations. The Board believes that open dialog with stakeholders plays a crucial role in maintaining our business sustainability.
- *Assess.* Apart from assessing the performance of our ESG measures through discussion with our stakeholders, the Board will engage a third party to identify and assess our performance in respect of environmental protection and climate change.
- *Review.* The Board will review the progress made against achieving our ESG goals and to guide us in achieving better ESG performance. A set of systematic risk management practices have been put in place pursuant to our ESG policy to ensure financial and operational functions, compliance control systems, material control, asset management and risk management all operate effectively while abiding to our ESG principles.

To ensure a better implementation system in place, an ESG working group has been established at the management level. The ESG working group comprises of representatives from the Administrative Department, Human Resources Department and the Legal Department and is responsible for discussing our ESG issues and continuing to ensure that appropriate and effective ESG risk management is in place. The ESG working group sets ESG at the beginning of each year and meets twice a year to track our progress in achieving such goals through data reports and reflect on areas for improvement. The ESG working group will also bring attention to issues and introduce new ideas, as well as offer solutions. During each year of the Track Record Period, our ESG related expenses amounted to approximately RMB664,000, RMB 400,000, RMB 207,000 and RMB55,900.

ESG Related Risks

A warming planet creates a wide range of risks for businesses, from rising insurance costs to labor challenges. Since our business operations do not involve the manufacturing of products, we do not currently have any material liabilities relating to health, work safety and environment, and do not expect to incur any material liabilities in this regard which could have any material adverse impact on our business and operating results. Most of the potential physical risk and transition risk can only reflect on our business partners which may eventually impact our financial performance.

Extreme weather events, such as typhoons, storm surges and rainstorms, will disrupt production, transportation and ultimately sales revenue. During extreme weather events, employees are advised to remain in a safe place until it is safe to resume normal activities. Extreme weather events may affect footfall of retail sites, and thereby revenue, in some of our business partners’ properties and operations which may result in an adverse effect on our revenue. Our working teams operate in several offices in Beijing, therefore, physical impact on our own operations due to climate change is limited. We are fully aware that unanticipated system failure due to

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extreme weather can result in disruption to business operations, reputational risks and increased costs. Lost data can impact our ongoing collaborations with our business partners which may hamper our future collaborations. We have created, maintained and scheduled a cloud backup through our central control panel. However, we also notice that climate change may impose a huge impact on some of our business partners that have physical operations on manufacturing or logistics. During the AI and digital planning process for our business partners, we will consider their potential physical risk and harness the power of technology to mitigate those risks.

We also face transition risk. Transition risk refers to the financial risk related to the process of adjustment towards a lower-carbon economy which can be prompted by, for example, changes in climate policy, technological changes, or a change in market sentiment. While we consider our operation to have limited exposure to transition risks due to climate change, many of our business partners may face different transition risks from a legal, technology, market and reputation perspective, which may result in loss of business partners and eventually have an adverse impact on our revenue. When we provide matching services for our business partners, we factor transition risks into our business planning. Innovative solutions will be raised by our team to minimize the financial risk of our business partners.

Considering climate change issues, a lot of businesses may be threatened by both physical risks and transition risks. Businesses would need to comply with newly enforced laws and regulations and market-driven changes as a response to climate change, which could increase costs for businesses. Our technology operation enhancement solution may not only be used to mitigate these risks for those businesses by improving their internal operation, but to also further explore new opportunities by harnessing new digital technologies.

ESG Policy

We are dedicated to providing a green office environment and promoting environmentally friendly practices in its office operations. Common practices of our green office codes include:

- Promoting recycling scheme, seeking alternative ways of disposing and reducing waste in environment ways;
- Reusing materials whenever possible;
- Utilizing natural resources and energy efficiently;
- Purchasing environmentally friendly and sustainable items;
- Complying strictly with and fully implement all relevant environmental legislation and regulations;
- Maintaining environmental awareness and incorporate environmental initiatives into marketing planning and design for all business partners; and
- Reviewing and seeking continual improvement on the implementation of environmental management.

We also adopted various social policies to address our social responsibilities:

- Applying equal opportunities to all aspects of employment, including gender, race, nationality, marital status, disability, religious belief, sexual orientation or any other characteristic protected under the law;
- Encouraging our employees to constantly improve their skills and abilities and develop competencies through the taking up of both internal and external training programs as well as regularly identifying training needs for improvement on existing skills through performance appraisals;
- Offering promotion and job opportunities to existing employees and suitable candidates, and selecting based on assessment of work performance of all individuals on merit, qualifications and abilities, and suitability for the position;

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- Protecting and respecting intellectual property including written materials and final movie products;
- Prohibiting all employees from offering or providing corrupt payments and other advantages to or accepting the same from private persons and entities; and
- Prohibiting all employees from giving, promising, offering, or authorizing payment of anything of value to any government official to obtain or retain business, to secure some other improper advantage, or to improperly influence a government official’s actions.

Metric and Targets

Scope 1 emissions

Our operations are based in various office buildings across different regions in China. We do not have any company-owned vehicles or in-house canteen. Additionally, as we have no direct combustion of energy, we do not have any scope 1 emissions in the years 2021, 2022 and 2023 and for the five months ended May 31, 2025.

Scope 2 emissions

The following table sets forth our total electricity consumption and scope 2 carbon emissions during the Track Record Period:

	Year ended December 31,			For the Five Months Ended May 31,
	2022	2023	2024	2025
Electricity Consumption (kWh)	147,991	101,626	211,661	97,649
Carbon emission (tons)	86	58	117.68	54.29

Scope 3 emissions

Based on the GHG Protocol methodology, we have conducted an analysis of our scope 3 emissions. Our findings indicate that the primary source of our scope 3 emissions is the data center of the cloud service we utilize for server hosting. As of the end of 2023, our server and data hosted in Alibaba Cloud account for 90.01% of our overall operations, with Tencent Cloud accounting for 8.41% and QiNiu Cloud accounting for 1.58%.

Alibaba Cloud introduced a carbon footprint calculator in 2023 to help users assess the environmental impact of their cloud usage. Based on the calculations by the Alibaba Cloud internal calculator, our carbon footprint from Alibaba Cloud amounted to 138.19 tons in 2023. By February 2025, Alibaba Cloud had updated the carbon footprint data up to September 2024, showing 77.64 tons. Estimating the total for 2024 based on the available data, our approximate carbon footprint on Alibaba Cloud for 2024 was around 102.18 tons. The carbon footprints of Tencent and QiNiu are currently undetermined. Given the similarities in business models and reliance on the same electricity sources among cloud companies in China, it is reasonable to assume that their carbon footprints are comparable. Based on our estimation, the total combined carbon footprints from third-party cloud services, which include Alibaba Cloud, Tencent Cloud and QiNiu Cloud in 2023 and 2024 are 153.53 tons and 113.52 tons.

Our total carbon footprint was as follows:

	Year ended December 31,			For the Five Months Ended May 31,
	2022	2023	2024	2025
Scope 2 (tons CO ₂ eq)	86	58	117.68	54.29
Scope 3 (tons CO ₂ eq)	Not available	153.53	113.52	33.76
Total		211.53	231.2	88.05

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These calculations provide us with valuable insights into the environmental impact of our cloud services and enable us to identify areas where we can focus on reducing carbon emissions.

Target on Scope 2 emissions

Within the next five years, we aim to reduce the intensity of our carbon emissions by 5%. In responding to our social responsibility and in line with the national target to go carbon neutral by 2060, we aim to approach carbon-neutral by 2050. We aim to achieve our carbon reduction plan through the following measures, including:

- Establishing energy saving policies, including assigning supporting team and security team to turn off lights according to a set schedule and to check if all computers in the offices were turned off or with pre-approved exemption labels. Our IT Department will follow up with respective employees whose computers were found turning on without exemption labels and the management will follow up if the issue persists;
- Pre-setting computers to switch to energy-saving mode after 30 minutes of idle;
- Replacing energy-intensive lighting, such as high-bay lights and fluorescent lamps, with high-luminous-efficacy light sets, such as LED lights;
- Installing thermostat for all air conditioning for smarter control of room temperature;
- Posting energy-saving labels throughout the office to remind our employees to turn off lights and air conditioners before leaving work;
- Offsetting our carbon emissions by purchasing voluntary carbon emission certificates if we can't meet our target by 2050.

Target on Scope 3 emissions

We acknowledge that the majority of our total emissions stem from our scope 3 emissions. Alibaba Cloud has committed to achieving carbon neutrality by 2035, while Tencent Cloud has set a target of attaining carbon neutrality by 2030. We anticipate that our scope 3 emissions will diminish to a non-significant level by 2035. We will closely monitor the progress of our third-party cloud providers and, if necessary, consider transitioning to a different service provider in the event that they fail to meet their sustainability commitments.

Supply Chain Management

As a responsible corporate citizen, our organization maintains stringent rules and criteria for selecting suppliers. In December 2024, our Beijing office, with 220 full-time staff, primarily relies on cloud service providers rather than product suppliers. Our major cloud service suppliers, Ali and Tencent that meet all our supplier ESG criteria, received ESG risk ratings of 19.3 and 18.8, respectively, from Sustainalytics in 2024, demonstrating much higher ESG performance and much lower ESG risk scores, including environmental and social aspects, compared to industry peers like Shopify (23.3), Meta Platforms (32.7), and Amazon (26.1).

Our business model does not involve any manufacturing, production, or research and development operations. Apart from general environmental laws and regulations, we are not subject to any special environmental requirements related to production or manufacturing. However, we have established various internal policies related to supply chain management to support the National Dual Carbon Goals. As confirmed by the PRC Legal Advisor, based on the public Internet search, they were not aware of any administrative penalties from regulatory authorities against our Group during the Track Record Period and as of the Latest Practicable Date for violations related to the laws and regulations on manufacturing, production, research and development operations, or environment protection.

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LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may be subject to legal proceedings, investigations and claims incidental to the conduct of our business from time to time. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral and administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or any of our Directors which, in the opinion of our management, could 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, (a) we were involved certain historical incidents relating to title defects of our leased properties discussed in “— Property” and (b) certain of our subsidiaries and branches in the PRC did not make sufficient contribution to social insurance fund for some employees as required under PRC laws and regulations, as further elaborated in “Risk Factors – Risks relating to Our Business and Our Industry - Our failure to make sufficient contribution to social insurance fund for our employees may have an adverse impact on us.” However, the foregoing do not constitute material non-compliance under the Chapter 1.2D of the Guide for New Listing Applicants on the basis that, in respect of (a) none of such incidents gave rise, or, as confirmed by the respective relevant competent authorities, would give rise, to any financial penalties, and hence would not lead to any material financial or operational impact on us; and in respect of (b) as advised by our PRC Legal Advisor, based on relevant laws and regulations, the likelihood of the relevant social insurance authorities imposing administrative penalties on us due to our failure to make full payment of the social insurance fund is remote as long as we make full payment within the stipulated deadline as required by relevant authorities once we received the notifications from the relevant authorities requiring us to pay the shortfalls, and hence, would not lead to any material adverse financial or operational impact on us. For details, see “Risk Factors – Risk relating to Our Business and Our Industry - Our failure to make sufficient contribution to social insurance fund for our employees may have an adverse impact on us.”

As confirmed by our PRC Legal Advisor, (i) we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations; and (ii) we are in compliance with all applicable laws and regulations in the PRC in all material aspects and possess all relevant permits and licenses from the relevant government authorities for our business operation in China during the Track Record Period or as of the Latest Practicable Date (as applicable).

MATERIAL REGULATIONS RELEVANT TO OUR BUSINESS

Circular 141

Circular 141, effective on December 1, 2017, provides that a banking financial institution that offers cash loans through loan facilitation is prohibited from accepting credit enhancement or other similar services from third parties that lack requisite license to provide guarantees, among other requirements. In addition, banking financial institutions shall (i) not extend loan funded by its own capital and funding from unqualified institutions; (ii) not outsource credit review and approval, risk management or other core operations in the provision of credit services to third-party collaborators; including not accepting credit enhancement services, loss-bearing commitments or other credit enhancement services provided in a disguised form by any third party that does not have relevant qualifications to provide guarantees; (iii) make sure that the third party with which it cooperates will not charge any interests or fees from borrowers; and (iv) not directly invest or invest in a disguised form in asset-backed securitization products or other products backed by cash loans, campus loans or down payment loans.

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We had not been subject to any investigation initiated by, received any rectification notice from, been imposed any administrative penalty by any relevant regulatory authority or been subject to any damage pursuant to any lawsuit with respect to Circular 141 during the Track Record Period and up to the Latest Practicable Date. During a verbal consultation with Beijing Haidian District Financial Services Office in April 2022, it is confirmed that we has not been involved in any violation of the laws and regulations relevant to internet lending or online finance. As to whether the collection and verification of personal information falls within the scope of “other core business” prohibited by Article 141, during a verbal consultation with the Beijing Haidian District Financial Services Office in March 2023, it confirmed that (i) for the activities that the financial institutions are prohibited from outsourcing to third-party collaborators in provision of credit services, Circular 141 only prohibits outsourcing of credit review and approval process and risk management, the Company’s services did not fall within this scope, and thus did not violate such rules; and (ii) the obligation to comply with the aforementioned rules in Circular 141 falls upon the financial institutions rather than the collaborators. Based on such consultation, our PRC Legal Advisor is of the view that during the Track Record Period and up to the Latest Practicable Date, we are in compliance with Circular 141 in all material aspects.

Data Security

In recent years, with the promulgation of a series of laws and regulations related to internet security and data protection, the MIIT, the CAC and other competent authorities have taken relevant measures against some mobile apps that infringe on users’ rights and interests. These laws and regulations primarily include the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) (effective since November 1, 2021), the Data Security Law of the People’s Republic of China (the “PRC Data Security Law”) (《中華人民共和國數據安全法》) (effective since September 1, 2021), the PRC Cyber Security Law (《中華人民共和國網絡安全法》) (effective since June 1, 2017), the Interpretation of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (effective since June 1, 2017), and Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》) (effective since September 1, 2013). Our PRC Legal Advisor is of the opinion that our big data analytics capabilities and the use of personal data are in compliance with all applicable PRC laws and regulations in all material aspects and we had not been involved in any material non-compliance with the applicable PRC laws and regulations governing the use and protection of personal information, which subject us to material administrative penalties or supervisory actions during the Track Record Period. See “Our Technologies – Our Big Data Analytics Capabilities – Compliance with Relevant Laws and Regulations” for detail.

Outbound Data Transfer

On July 7, 2022, the CAC published the Security Assessment Measures for Outbound Data Transfers (《數據出境安全評估辦法》) (the “**Security Assessment Measures for Outbound Data Transfers**”, effective on September 1, 2022). See “Regulatory Overview — II. Regulations Related to Operations — Security Assessment Measures for Outbound Data Transfers.” We operate our business within the mainland of PRC and all the data and personal information collected and generated during our operation is stored within PRC. Furthermore, our business operation involves no cross-border transfer of personal information and the data we process during our daily operation that may be cross-border transferred has not been identified or publicly announced as important data by the relevant departments or local regulatory authorities. Based on the foregoing, our PRC Legal Advisor is of the view that the likelihood that such Measures for Outbound Data Transfers applies to our business operation is remote and will have no adverse impact on our business operation.

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Anti-monopoly of Platform Economy Sector

Anti-monopoly Guidelines of the Anti-Monopoly Committee of the State Council for the Internet Platform Economy Sector (《國務院反壟斷委員會關於平臺經濟領域的反壟斷指南》) (the “**Anti-monopoly Guidelines**”) which comes into effect on February 7, 2021, regulates the abuse of a dominant position as well as specifying some of the circumstances under which an activity of internet platforms may be identified as monopolistic act. According to the Anti-monopoly Guidelines, the term “platform” refers to a form of business organization that enables interdependent two or multilateral entities to interact under the rules provided by a specific medium through network information technology, to jointly create value. As the platform operator, we shall not conduct anti-competitive practice and enter into monopoly agreements with other operators. As advised by our PRC legal advisor, the Anti-Monopoly Guidelines would not materially and adversely affect our financial position and results of operations considering that as confirmed by our Directors (i) our agreements with our business partners do not contain clauses that preclude or restrict competition; and (ii) the development and expansion of our business do not rely on achieving a significant market share or a dominant position in the industry.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

We are subject to various risks during our business operations. See “— Risk Management.” We have engaged an independent internal control consultant (the “**Internal Control Consultant**”) to conduct an evaluation of our internal control system in connection with the [REDACTED]. The Internal Control Consultant has conducted review procedures on our internal control system in certain aspects, including human resources, corporate governance, accounting management, financial procedures and information management. The Internal Control Consultant conducted its work in February 2022 and provided a number of findings and recommendations. We have subsequently taken remedial actions in response to such findings and recommendations. The Internal Control Consultant performed follow-up procedures on our internal control system with regard to those actions taken by us from March 1, 2022 to May 5, 2022 and has not identified any material deficiencies in our internal control system. After considering the remedial actions that we have taken, our Directors are of the view that our internal control system is adequate and effective for our current operations.

We have designated responsible personnel in our Company to monitor the ongoing compliance by our Company and subsidiaries with the relevant PRC laws and regulations that govern our business operations and oversee the implementation of any necessary measures. In addition, we plan to provide our Directors, senior management and relevant employees with continuing training programs and/or updates regarding the relevant PRC laws and regulations on a regular basis with a view towards proactively identifying any concerns and issues relating to any potential non-compliance.

Risk Management

We are exposed to various risks in the operations of our business and we believe that risk management is important to our success. Key operational risks faced by us include, among others, changes in general market trends in connection with the provision of the consumption-related matching services, changes in the regulatory environment in connection with the online marketplace for consumption industry in China, our ability to maintain, improve and innovate our offerings, our ability to retain key management and technical staff, and stability and growth of our business partner base. See “Risk Factors” for disclosures on various risks we face. In addition, we also face numerous market risks, such as interest rate, credit and liquidity risks that arise in the normal course of our business. See “Financial Information — Market Risks” for a discussion on these market risks. We have established the internal control and audit department to audit the management activities and

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conducts audit work within the company. We seek to ensure the independence of internal control audit team through our internal audit management policy (《內部審計管理制度》). In addition, we have implemented strict internal control policies to manage the collection of our trade receivables. Specifically, we periodically perform impairment analysis using a provision matrix to measure expected credit losses and assessment of our credit risk exposure, during which we had not discovered any recoverability issues. We have also been exerting efforts to enhance the management and collection of trade receivables. In particular, we closely monitor the status of our trade receivables. We hold periodic meetings to discuss the status of trade receivables. We timely communicate with relevant parties and remind them of making due payments through various channels.

Financial Reporting Risk Management

We have implemented comprehensive policy in connection with financial reporting risk management such as financial reporting management, internal audit and budget management, including Fund Management Methods (《資金管理辦法》), Expense Management Methods (《費用管理辦法》) and Internal Audit Management Policy (《內部審計管理制度》). We have also implemented regular training of our financial department staff and employees to ensure they understand the accounting policies and procedures.

We have implemented various policies and procedures to ensure effective risk management at each aspect of our operations, including the administration of daily operations, financial reporting and recording, fund management, compliance with applicable laws and regulations. As of December 31, 2024, our finance department consisted of 12 employees headed by Mr. Li Yan, one of our executive Directors. Our Board oversees and manages the overall risks associated with our operations. We have established an audit committee to review and supervise the financial reporting process and internal control system of our Group. See “Directors and Senior Management — Board Committees — Audit Committee” for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our audit committee. We have adopted written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules.

Data Privacy and Information Security Risk Management

We have adopted measures to protect data accumulated on our technology platform to comply with data privacy and cybersecurity laws and regulations effective from time to time and prevent technical issues in our network infrastructure and information technology system. Our R&D department is responsible for protecting data and ensuring the stability of our network infrastructure and information technology system.

We have implemented comprehensive internal policies on protecting data privacy and security, such as the Data Access Management Method (《數據訪問管理辦法》). We have implemented a robust internal authentication and authorization system to ensure that our confidential and important data can only be accessed for authorized use and by authorized personnel. We have also adopted internal policies to encrypt important personal information. Our employees can only access desensitized data during daily operation. Access to and operation of data will be logged and monitored. Abnormal access and operation will trigger warning or alert from the platform. We will investigate the event in a timely manner if the platform sends out any warning or alert and evaluate the impacts. We take appropriate security measures against any abnormal or suspicious requests or behaviors. In addition, we regularly acknowledge and ask our employees to review relevant data security policies.

We have adopted various policies on database operation to prevent information leakage and loss of data. We also keep backup servers for all database operations. We also use monitoring systems to monitor the data operating status of servers and alert relevant departments to abnormal situation. In addition, our daily maintenance, disaster

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recovery measures, access control system and other measures help maintain the physical condition of our network infrastructure. We also have a data back-up system through which our data are stored on servers of different locations to reduce the risk of data loss. Our IT department conducts backup recovery tests biannually to examine the status of the back-up system.

In addition, we have adopted various policies, procedures and measures to ensure that the operation of our algorithm recommendation capabilities complies with the requirements under the Provisions on Algorithm Recommendation. We have established an algorithm management policy which covers procedures relating to mechanism and ethical review, user registration, publication of information and data security aspects of our algorithm recommendation capabilities. Adhering to our algorithm management policy, we have implemented provisions on our algorithm recommendation capabilities standardizing its operational steps and procedures employed while our algorithm capabilities are being used. We also have in place technical measures such as personal information protection measures, which offer our users options to disable the recommended contents generated by our algorithm. We conduct regular reviews of our algorithm, including principal reviews which ensure the recommended contents are only restricted to the general historical preferences of a certain user group, but not targeted at certain users’ specific personal profiles. Lastly, to ensure our users are informed about the application of the algorithm, we have set out information including the purpose and operating mechanism of our algorithm in the privacy policy displayed to the users before the completion of users’ registration.

Third-party Supplier Risk Management

We have established various collaboration with third-party suppliers, including suppliers of Internet advertising and promotion services and third-party customer services agencies. We have implemented various internal control measures, such as the Account and Information Security Management Method (《系統賬號及信息安全管理制度》) and the Customer Complaint Handling Process (《客訴承接流程規範》), to protect our end customers’ personal information and to ensure third-party customer service quality. For any customer complaints directed to us through third-party platforms, we have implemented internal control measures, endeavored to resolve such complaints within 48 hours. In addition, our agreements with financial institutions and debt collection agencies, explicitly prohibits inappropriate debt collections under relevant regulations. The debt collection agencies need to compensate us for any loss or expense incurred through their inappropriate debt collection actions.

Anti-Money Laundering Policies

We have established a comprehensive anti-money laundering policy, including (1) the establishment of an anti-money laundering working group, headed by our Chief Executive Officer, Dr. Zhou, with designated personnel from the compliance department, finance department, internal control department and R&D department as members of the working group; (2) the issuance of anti-money laundering management measures to all employees and (3) carrying out anti-money laundering related training. In connection with our rebates to the marketplace suppliers we cooperate with, we have established customer identification mechanism, implementing real-name registration, including verifying and retaining photocopies of the valid licenses of marketplace suppliers, in order to reduce money laundering risks.

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BACKGROUND

We provide matching services for business partners to match their goods with their end customers that meet their target customer criteria on our online marketplaces (the “**Relevant Businesses**”) through our Consolidated Affiliated Entities in the PRC. Relevant PRC laws and regulations restrict foreign ownership of value-added telecommunications services providers as further elaborated in “ — PRC Laws and Regulations Relating to Foreign Ownership Restrictions” below. As a result of such restrictions, we are unable to hold any direct equity interest in our Consolidated Affiliated Entities. Instead, we derive the economic benefits from our Consolidated Affiliated Entities (namely, Liangzi Data and its wholly-owned subsidiary, Beijing Quant) through the Contractual Arrangements, which are narrowly tailored to achieve our business purposes and minimize the potential conflicts with relevant PRC laws. See “ — Our Contractual Arrangements” below.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN OWNERSHIP RESTRICTIONS

Foreign investment activities in the PRC are mainly governed by the Negative List and the Catalog of Industries for Encouraging Foreign Investment (2022 Edition) (鼓勵外商投資產業目錄(2022年版)) (the “**Encouraging Catalog**”), which were promulgated and are amended from time to time jointly by the MOFCOM and the NDRC. The Negative List and the Encouraging Catalog divide industries into three categories in terms of foreign investment, namely, “encouraged”, “restricted” and “prohibited.” Industries not listed in the Negative List and the Encouraging Catalog are generally deemed as falling into the fourth category “permitted.”

Pursuant to the Negative List, provision of value-added telecommunications services (except for operation of e-commerce business, domestic multi-party communication business, store-and-forward and call center services) falls within the “restricted” category. As such, the shareholding percentage of a foreign investor in companies engaged in value-added telecommunications services shall not exceed 50%. Moreover, pursuant to the Administrative Measures on Internet Information Services (互聯網信息服務管理辦法), a provider of “operational internet information services” (namely services involving the provision of information or website-design services through the internet to internet-users for a fee) is required to obtain an ICP License. In addition, certain qualification requirements under the FITE Regulations would apply to such foreign investors which made direct ownership in the relevant PRC entities holding an ICP License infeasible. See “ — Qualification requirements under the FITE Regulations” and “Regulatory Overview — II. Regulations related to Operations” for details of limitations on foreign ownership in PRC companies conducting value-added telecommunications services.

Each of our Consolidated Affiliated Entities, namely, Liangzi Data and Beijing Quant, holds an ICP License for the operation of value-added telecommunication services. Due to ownership restrictions and qualification requirements in the PRC applicable to foreign investors, we are not able to hold the equity interests of the Consolidated Affiliated Entities directly. Therefore, the Relevant Businesses are conducted by our Consolidated Affiliated entities, namely Liangzi Data and Beijing Quant, in which the ICP licenses are held.

Our Relevant Businesses are conducted through (i) Liangzi Data, which operates a website that markets our QuantPlanet platform and offers options for potential business partners to explore and eventually acquire matching services supported by our QuantPlanet modules, and (ii) Beijing Quant, which operates Yangxiaomie, through which we facilitate the sale of retail goods to users of Yangxiaomie. The services operated by QuantPlanet and Yangxiaomie constitute commercial value-added telecommunications business under the applicable PRC laws and thus ICP Licenses are required for Liangzi Data and Beijing Quant.

Qualification requirements under the FITE Regulations

On December 11, 2001, the State Council promulgated the FITE Regulations, which were amended on September 10, 2008 and February 6, 2016. Pursuant to the FITE Regulations, foreign investors are not allowed to hold

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more than 50% of the equity interests in a company providing value-added telecommunications services. In addition, the main foreign investor who invests in a value-added telecommunications business, in the PRC must possess prior experience overseas in operating value-added telecommunications businesses and a proven track record (the “**Qualification Requirements**”). Our PRC Legal Advisor, the PRC legal advisor of the Joint Sponsors and the Company conducted a verbal consultation with the Beijing Municipal Communications Administration (北京市通信管理局) on March 31, 2022 (the “**March Interview**”), during which the Beijing Municipal Communications Administration confirmed that (a) there are no detailed rules and standards for the Qualification Requirements, (b) whether an applicant meets the Qualification Requirements will be determined by the approving authority on a case-by-case basis, and (c) the relevant entities would be prohibited from obtaining or maintaining the license for operating value-added telecommunications services if such entities are held directly or indirectly by foreign shareholders that do not meet such Qualification Requirements. During the March Interview, the Beijing Municipal Communications Administration also confirmed that, in the case of our Company, MIIT would not issue an ICP License to our Consolidated Affiliated Entities if they become foreign investment entities and their respective foreign investors could not meet the Qualification Requirements. The Beijing Municipal Communications Administration further confirmed that, if Liangzi Data or Beijing Quant becomes a foreign invested enterprise, it would be required to re-apply for an ICP License from MIIT, in such case, the current ICP License obtained by Liangzi Data or Beijing Quant would be rescinded.

On March 29, 2022, the State Council promulgated Decision of the State Council to Amend and Repeal Certain Administrative Regulations (2022) (the “**2022 Amendment Decision**”) which took effect on May 1, 2022. Among others, the 2022 Amendment Decision repealed the Qualification Requirements in the FITE Regulations. On April 28, 2022, our PRC Legal Advisor and the PRC legal advisor of the Joint Sponsors, together with the Company conducted a further consultation (the “**April Consultation**”) with the Beijing Municipal Communications Administration, where the Beijing Municipal Communications Administration confirmed that (a) despite the 2022 Amendment Decision, in practice the Qualification Requirements would still be applied to foreign investors holding equity interest in companies engaged in value-added telecommunications services in the PRC, (b) whether an applicant meets the Qualification Requirements will still be decided by the approving authority on a case-by-case basis, and (c) the relevant entities would be prohibited from obtaining or maintaining the license for operating value-added telecommunications services if such entities are held directly or indirectly by foreign shareholders that do not meet the Qualification Requirements. Based on the April Consultation, our PRC Legal Advisor confirmed that, in the case of our Company, (a) MIIT would not issue an ICP License to our Consolidated Affiliated Entities if they become foreign investment entities and their respective foreign investors could not meet the Qualification Requirements, while the satisfactory of Qualification Requirements would be decided by MIIT at its discretion on a case-by-case basis, and (b) if Liangzi Data/Beijing Quant becomes a foreign invested enterprise, it would be required to re-apply for an ICP License from the MIIT.

Notwithstanding the above, we have adopted a specific plan and will continue to expend genuine efforts and financial resources towards meeting the Qualification Requirements. We will remain abreast of any regulatory developments and continuously assess whether we meet the Qualification Requirements, with a view to unwinding the Contractual Arrangements wholly or partially as and when practicable and permissible under the prevailing PRC laws.

We are implementing a business plan with a view to gradually building up a track record of overseas telecommunication business operations for the purposes of being qualified, as early as possible, to acquire the maximum equity interests in the Consolidated Affiliated Entities that hold the licenses for operating value-added telecommunications services as allowed by PRC laws. We believe that such business plan represents our commitment and a meaningful endeavor to demonstrate compliance with the Qualification Requirements. In particular, we have taken the following steps to meet the Qualification Requirements:

- (i) we have established an overseas website that helps potential overseas users and investors to better understand the Company’s products, services and businesses; and

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- (ii) our Company has registered, submitted and in the process of preparing for registration a number of trademarks in various jurisdictions, including Hong Kong SAR.

In the March Interview, the Beijing Municipal Communications Administration confirmed that steps such as those taken by us described above would be helpful to fulfill the Qualification Requirements. However, as confirmed by the Beijing Municipal Communications Administration in the March Interview and the April Consultation and advised by our PRC Legal Advisor, (a) the current ICP Licenses held by our Consolidated Affiliated Entities for conducting the Relevant Businesses do not allow foreign investors to hold any equity interests in the Consolidated Affiliated Entities, (b) in practice, the Qualification Requirements would still be applied to foreign investors holding equity interests in companies engaged in value-added telecommunication services in the PRC, and (c) the application of an ICP License by any company engaged in value-added telecommunication services in the PRC with foreign investors is subject to thorough substantive examination and is decided by MIIT at its discretion on a case-by-case basis. Accordingly, in the March Interview and the April Consultation, the Beijing Municipal Communications Administration confirmed that, in practice, even if we are able to meet the Qualification Requirements, we will not be able to obtain an ICP License if any foreign investor is to hold any equity interests in any of the Consolidated Affiliated Entities. This position held by Beijing Municipal Communications Administration has been reaffirmed in the supplemental interviews conducted with them in March 2023, June 2024 and May 2025, respectively.

We will, as applicable and when necessary, disclose the progress of our overseas business plans and any updates to the Qualification Requirements in our annual and interim reports to inform Shareholders and other investors after [REDACTED]. See “History, Reorganization and Corporate Structure — Corporate Development — Establishment of Quantgroup Technology Singapore and Quantgroup Technology US.” We will also remain abreast of any regulatory developments and make periodic inquiries to relevant PRC authorities to assess whether our level of overseas experience is sufficient to meet the Qualification Requirements.

As confirmed by our PRC Legal Advisor, as the information and communication development department of the Beijing Municipal Communications Administration is responsible for approving the telecommunication business operation of domestic enterprises in Beijing, such department is the competent authority and the officer interviewed is of the appropriate level to provide the confirmation stated above.

On the basis of the above, we are of the view that the Contractual Arrangements are narrowly tailored and we are therefore required to carry out our value-added telecommunication services through the Contractual Arrangements.

OUR CONTRACTUAL ARRANGEMENTS

Overview

Our Consolidated Affiliated Entities are all established under the PRC laws. As described above, investment in certain areas of the industries in which we currently operate and may operate are subject to restrictions under current PRC laws and regulations and therefore it was not viable for our Company to hold our Consolidated Affiliated Entities directly through equity ownership when our Company is not able to fulfill the Qualification Requirements. Instead, we decided that, in line with common practice in the PRC for industries subject to foreign investment restrictions, we would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by our Consolidated Affiliated Entities through the Contractual Arrangements between the WFOE, on the one hand, and our Consolidated Affiliated Entities and Beijing Xitui, on the other hand.

In order to comply with the relevant PRC laws and regulations described above, while availing ourselves of international capital markets and maintaining effective control over all of our operations, our Company gained

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control over Liangzi Data and its subsidiary, Beijing Quant, by entering into a series of Contractual Arrangements through the WFOE, Liangzi Data and Beijing Xitui. The Contractual Arrangements were entered into on May 20, 2022, whereby the WFOE acquired effective control over the financial and operational policies of our Consolidated Affiliated Entities and have become entitled to all the economic benefits derived from their operations. As a result, we do not directly own any controlling stake in our Consolidated Affiliated Entities.

Our Directors believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into between the WFOE and our Consolidated Affiliated Entities; (ii) by entering into exclusive service and consultation agreements with the WFOE, being subsidiaries of our Company, our Consolidated Affiliated Entities will enjoy better economic and technical support from us, as well as a better market reputation after [REDACTED]; and (iii) a number of other companies in the same or similar industries to those in which we operate use similar arrangements to accomplish the same purpose. Tancheng Bank, an investee of Liangzi Data, does not conduct any business that is subject to foreign investment restrictions or prohibitions and will be transferred to an entity outside of our Group. See “ — Transfer of investment in Tancheng Bank” for further details. Other than Liangzi Data’s equity interest in Tancheng bank that is to be transferred, the Contractual Arrangements, through which we are able to exercise control over and derive the economic benefits from our Consolidated Affiliated Entities, have been narrowly tailored to achieve our business purpose and minimize the potential for conflict with relevant PRC laws and regulations to the maximum extent.

Transfer of investment in Tancheng Bank

During the Track Record Period, Liangzi Data held approximately 4.96% of shareholding interest of Tancheng Bank. According to our PRC Legal Advisor, the business operated by Tancheng Bank, namely operating as a commercial bank, is not subject to foreign investment prohibition under the Negative List. In order to satisfy the “narrowly-tailored” requirement, we contemplated to transfer the shareholder interest in Tancheng Bank to the WFOE. However, as advised by our PRC Legal Advisor, there are certain qualification requirements to be satisfied to become a shareholder of a rural commercial bank as provided by the Measures for the Implementation of Administrative Licensing Matters Concerning Rural Small and Medium Banking Institutions (《農村中小銀行機構行政許可事項實施辦法》) promulgated by the China Banking and Insurance Regulatory Commission which took effect on December 26, 2019 (the “Measures”), including, among others:

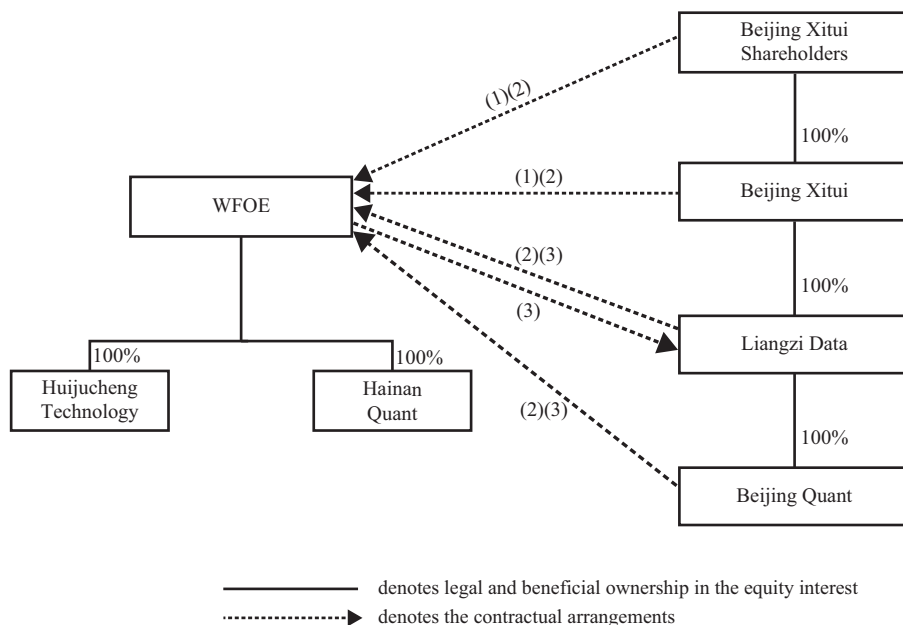
- (i) having good financial status demonstrated with profits for the latest two consecutive fiscal years;
- (ii) having net assets accounting for no less than 30% of all assets after year-end distribution; and
- (iii) having its equity investment not exceeding 50% of the company’s net assets (including the proposed investment in the rural commercial bank).

As confirmed by our PRC Legal Advisor and our Directors, none of the WFOE or other members within our Group satisfies the requirements as set out above to hold the shareholding interest in Tancheng Bank. Therefore, Liangzi Data is in the process of transferring all shareholding interest held by Liangzi Data to Tianjin Zimu, a wholly-owned subsidiary of Liangkebang. Liangzi Data and Tianjin Zimu entered into an equity transfer agreement on December 30, 2021, under which Tianjin Zimu agreed to purchase and Liangzi Data agreed to transfer the 4.96% of shareholding interest in Tancheng Bank, at a total consideration of RMB51 million, which was determined with reference to historical cost of Liangzi Data. On March 30, 2022, the board of directors of Tancheng Bank resolved to approve such share transfer. Such share transfer was completed in November 2022.

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Contractual Arrangements

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group under the Contractual Arrangements:



Notes:

- (1) Beijing Xitui, the Beijing Xitui Shareholders, Liangzi Data, Beijing Quant and the WFOE executed an amended and restated exclusive pledge agreement, pursuant to which Beijing Xitui granted security interests in favor of WFOE over the entire equity interests in Liangzi Data held by Beijing Xitui. See “ — Summary of the material terms of the Contractual Arrangements — Equity Pledge Agreement.”

Beijing Xitui executed a power of attorney in favor of the WFOE, for the exercise of all shareholders’ rights in Liangzi Data. See “ — Summary of the material terms of the Contractual Arrangements — Power of Attorney.”

- (2) Beijing Xitui, the Beijing Xitui Shareholders, Liangzi Data, Beijing Quant and the WFOE executed an amended and restated exclusive option agreement, for the exclusive and irrevocable right to purchase all or part of the equity interests and/or assets in Liangzi Data and its subsidiaries. See “ — Summary of the material terms of the Contractual Arrangements — Exclusive Option Agreement.”

- (3) WFOE provides technical consultation and other services to Liangzi Data and its subsidiaries in exchange for service fees. See “ — Summary of the material terms of the Contractual Arrangements — Exclusive Business Cooperation Agreement.”

Circumstances under which we will unwind the Contractual Arrangements

We will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations if the relevant government authority grants ICP License to sino-foreign equity joint ventures or wholly-owned foreign investment entities under relevant PRC laws and regulations.

Summary of the material terms of the Contractual Arrangements

Exclusive Business Cooperation Agreement

Under the exclusive business cooperation agreement dated May 20, 2022, which was further amended and restated on August 18, 2022 and March 10, 2023, respectively, between Liangzi Data, Beijing Quant and the WFOE (the “**Exclusive Business Cooperation Agreement**”), in exchange for a service fee, payable quarterly, Liangzi Data and its subsidiaries, agreed to engage the WFOE as its exclusive provider of certain consulting and technical services, including but not limited to technology development, technology consulting, and technical support services required by our Consolidated Affiliated Entities’ business. Under the Exclusive Business

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Cooperation Agreement, the service fee shall be determined based on factors including the complexity of the service provided, duration of service time, commercial value of the service provided and comparative market price of the service provided. Notwithstanding the foregoing, the WFOE may adjust the amount of the services fee according to the services provided by our Consolidated Affiliated Entities, our Consolidated Affiliated Entities’ operational conditions and development needs. The WFOE shall calculate the service fee on a quarterly basis and issue a corresponding invoice to Liangzi Data (and its subsidiaries). Liangzi Data (and its subsidiaries) must make the payment to the WFOE within ten business days of receiving such invoice.

In addition, during the term of the Exclusive Business Cooperation Agreement, absent the prior written consent of the WFOE, with respect to the services provided pursuant to the Exclusive Business Cooperation Agreement, our Consolidated Affiliated Entities shall not accept the same or any similar services provided by, enter into any similar agreement or form any business cooperation with any third party for provision of the same or similar services as those covered by the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreement also provide that the WFOE has the exclusive and proprietary rights to and interests in any and all intellectual property rights developed or created by our Consolidated Affiliated Entities during the performance of the Exclusive Business Cooperation Agreement. The Exclusive Business Cooperation Agreement shall be binding on the legal successors and assignees of Liangzi Data and the WFOE.

The Exclusive Business Cooperation Agreement shall remain effective until (i) the Exclusive Business Cooperation Agreement was terminated by the WFOE having served 30 days prior written notice, or (ii) the dissolution of Liangzi Data under any applicable PRC laws. Without the prior written consent of the WFOE, Liangzi Data cannot terminate the Exclusive Business Cooperation Agreement.

Exclusive Option Agreement

Under the exclusive option agreement dated May 20, 2022 which was further amended and restated on August 18, 2022 and March 10, 2023, respectively, entered into among the WFOE, Beijing Xitui, the Beijing Xitui Shareholders, Liangzi Data and Beijing Quant (the “**Exclusive Option Agreement**”), the WFOE was granted irrevocable and exclusive rights to require Beijing Xitui to transfer any or all its equity interests in Liangzi Data to the WFOE and/or a third party designated by it, in whole or in part at any time and from time to time, at the lowest price permitted under applicable PRC laws at the time, unless at the time of exercising the exclusive option rights, applicable PRC laws require such price to be assessed, audited or restricted. The Beijing Xitui Shareholders have undertaken to take all actions to procure Liangzi Data and Beijing Xitui to perform their obligations and take necessary actions in the event that the WFOE exercises any of its rights under the Exclusive Option Agreement.

Liangzi Data (and its subsidiaries), Beijing Xitui and the Beijing Xitui Shareholders (as applicable) have individually and jointly covenanted that, among other things, they will not, or they will procure Beijing Xitui (in its capacity as the registered shareholder of Liangzi Data) not to, without the WFOE’s (or a third party designated by it) prior written consent:

- (i) sell, transfer, pledge or otherwise dispose of any assets of Liangzi Data (and its subsidiaries) at any time from the date of the Exclusive Option Agreement (except for assets within RMB1,000,000 necessary for the daily business operations), any legal or beneficial interest in business or income, or impose any other encumbrances including security interests to be placed thereon, except for the pledge of Beijing Xitui’s equity interest in Liangzi Data held by Beijing Xitui pursuant to the Equity Pledge Agreement and the Power of Attorney;

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- (ii) sell, transfer, pledge or otherwise dispose of any legal or beneficial interest in Liangzi Data (and its subsidiaries) or permit the creation of any other encumbrance thereon; and vote in favor of the transfer of the purchased equity interest as provided in the Exclusive Option Agreement;
- (iii) vote for, support or sign any shareholders’ resolutions approving merger or consolidation of Liangzi Data (including its subsidiaries) with, acquisition by, acquisition of, or investment in any person;
- (iv) require Liangzi Data to make any dividend or other form of profit distribution in respect of the equity interest in Liangzi Data owned by Beijing Xitui or initiate or vote in favor of any resolution of the shareholders’ meeting in relation thereto. In any event, if Beijing Xitui receives any earnings, profit distribution or dividends from Liangzi Data, Beijing Xitui shall, to the extent permitted by applicable PRC laws, waive receipt of such earnings, profit distribution or dividends and immediately pay or transfer such earnings, profit distribution or dividends to the WFOE or the WFOE’s designated party;
- (v) supplement, alter or amend Liangzi Data and its subsidiaries’ constitutional documents in any form, increase or reduce their registered capital or otherwise change its shareholding structure. Nor shall it separate, dissolve or change Liangzi Data’s corporate form in any form;
- (vi) conduct any act and/or omission that may have any adverse effect on the assets, business and liabilities of Liangzi Data (and its subsidiaries);
- (vii) incur, assume, guarantee or permit to exist any indebtedness, except for (1) indebtedness incurred in the ordinary or usual course of business and not by way of a loan; and (2) indebtedness which has been disclosed to and agreed in writing by the WFOE;
- (viii) enter into or cause Liangzi Data (and its subsidiaries), to enter into any material contract (i.e. any contract which its value exceeds RMB100,000), except for contracts entered into in the ordinary course of business and contracts with the WFOE or the Group;
- (ix) cause Liangzi Data (and its subsidiaries), to terminate any material contract or enter into any contract that is in material conflict with an existing material contract;
- (x) procure Liangzi Data (and its subsidiaries), to waive the indebtedness of any third party under any name, to create any loan or guarantee or warranty to any person, or to permit any third party to create any other security interest in its assets or interests; and
- (xi) not be dissolved or liquidated, unless required by applicable PRC laws. If Liangzi Data (and its subsidiaries) is required to be liquidated or dissolved under PRC laws, Beijing Xitui, as the registered shareholder of Liangzi Data or Liangzi Data, as the registered shareholder of any of its subsidiaries, shall transfer to the WFOE and/or the WFOE’s designated third party the remaining amount obtained by Liangzi Data or any of its subsidiaries after its liquidation or dissolution at the lowest price permitted under PRC laws; Beijing Xitui, as the registered shareholder of the WFOE or Liangzi Data, as the registered shareholder of any of its subsidiaries, shall, to the extent permitted under the then applicable PRC laws, exempt the WFOE and/or the WFOE’s designated party from any payment obligations arising therefrom Beijing Xitui, to the extent permitted by the applicable PRC laws, waive any payment obligations of the WFOE and/or the WFOE’s designated third party arising therefrom; or, to the extent permitted by the applicable PRC laws, return to the WFOE and/or the WFOE’s designated third party any income (if any) arising from such transaction. Also, to the extent permitted by applicable PRC laws, Beijing Xitui as the registered shareholder of Liangzi Data, or Liangzi Data, as the registered shareholder of any of its subsidiaries will appoint members appointed by the WFOE and/or the WFOE’s designated third party to be members of the liquidation team of Liangzi Data or of any subsidiary of Liangzi Data for the purpose of managing Beijing Xitui’s assets or Liangzi Data’s assets.

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The Beijing Xitui Shareholders have undertaken that they will use all endeavors to procure and oversee Beijing Xitui and Liangzi Data (including its subsidiaries) to observe the above undertakings and take appropriate actions for Beijing Xitui or Liangzi Data (if applicable) when necessary. In addition, the Beijing Xitui Shareholders have, individually and not severally, further undertaken that, subject to the relevant laws and regulations, among other things:

- (i) from the effective date of the Exclusive Option Agreement, without prior written consent from the WFOE, they will not sell, assign, pledge or otherwise dispose of any of its equity interest in Beijing Xitui, or allow the creation of any other encumbrance of rights thereon;
- (ii) they will immediately notify the WFOE of any litigation, arbitration or administrative proceeding that has occurred or may occur in connection with their ownership of equity interest in Beijing Xitui, and shall take all necessary measures in accordance with the WFOE’s reasonable instructions; and will procure Beijing Xitui to immediately notify the WFOE of any litigation, arbitration or administrative proceeding that has occurred or may occur in connection with Beijing Xitui’s ownership of equity interest in Liangzi Data and take all necessary measures in accordance with the WFOE’s reasonable instructions to notify the WFOE in the event that Beijing Xitui fail to perform such acts or take such measures;
- (iii) they will take all necessary acts to procure Beijing Xitui to execute all documents, take all actions and assert all claims or defend all claims necessary or appropriate to maintain Beijing Xitui’s ownership of its equity interest in Liangzi Data, and to request Beijing Xitui or act on behalf of Beijing Xitui to take the aforementioned acts and reasonable measures in the event that Beijing Xitui fails to perform such acts or take such measures; and
- (iv) they will take all necessary acts to procure Beijing Xitui, at the WFOE’s request, to support and procure any person designated by the WFOE be elected as a director (or an executive director) or senior management of Liangzi Data (and/or its subsidiaries).

Beijing Xitui and the Beijing Xitui Shareholders (individually and not severally) have also undertaken that, subject to the relevant laws and regulations, they will, or they will procure Beijing Xitui to, return to the WFOE any consideration they receive in the event that the WFOE exercises the options under the Exclusive Option Agreement to acquire the equity interests in Liangzi Data.

The Exclusive Option Agreement will remain effective for 10 years and will be automatically renewed unless otherwise the WFOE disagrees for renewal with written notice. The Exclusive Option Agreement shall be binding on the legal successors and assignees of Liangzi Data, Beijing Xitui, the Beijing Xitui Shareholders and the WFOE.

Equity Pledge Agreement

Under the equity pledge agreement dated May 20, 2022 (as amended and restated on August 18, 2022) entered into among the WFOE, Beijing Xitui, the Beijing Xitui Shareholders and Liangzi Data (the “**Equity Pledge Agreement**”), Beijing Xitui irrevocably and unconditionally agreed to pledge its respective equity interests in Liangzi Data that it owns, including any interest or dividend paid for the shares, to the WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

The pledge in respect of Liangzi Data takes effect upon the execution of the Equity Pledge Agreement and shall remain valid until (i) after all the contractual obligations of Beijing Xitui, the Beijing Xitui Shareholders and Liangzi Data (including its subsidiaries) under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of Beijing Xitui and Liangzi Data (including its subsidiaries) under the relevant Contractual

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Arrangements have been fully paid; or (ii) the WFOE has purchased all assets and equity interests of Liangzi Data according to the terms of the Exclusive Option Agreement and the WFOE could legally operate the business of Liangzi Data; or (iii) the Equity Pledge Agreement has been unilaterally terminated by the WFOE; or (iv) the Equity Pledge Agreement has been terminated according to applicable PRC laws; or the pledge in respect of Liangzi Data shall remain for two years after all obligations of the Equity Pledge Agreement has been completed and none of the events from (i) to (iv) aforementioned have occurred.

Among other things, Beijing Xitui and the Beijing Xitui Shareholders have warranted and undertaken that without the WFOE’s prior written consent, it shall not, or shall procure Beijing Xitui not to, (i) transfer any of its equity interest, or (ii) impose or allow the existence of any encumbrance on the equity interest that may affect the WFOE’s rights or interests, or (iii) take any action that will or may result in a change in the WFOE’s equity interest or rights attached to the equity interest, which will or may materially and adversely affect the WFOE’s rights thereunder. The Beijing Xitui Shareholders have further undertaken that (i) they will take all actions to procure and oversee Beijing Xitui to observe the foregoing undertakings and (ii) save for as instructed by the WFOE to transfer their respective equity interests held in Beijing Xitui to the WFOE or its designated third party, before all contractual obligations under the relevant Contractual Arrangements have been fully performed, without the WFOE’s consent, the Beijing Xitui Shareholders shall not, among other things, transfer their respective equity interests held in Beijing Xitui or impose any encumbrances or security interests to be placed thereon and conduct any act that will or may have any adverse impact on the WFOE’s ability to exercise its rights under the Equity Pledge Agreement.

Upon the occurrence and during the continuance of an event of default (as defined in the Equity Pledge Agreement), the WFOE shall have the right to require the shareholder of Liangzi Data (i.e., Beijing Xitui) to immediately pay any amount payable by Liangzi Data under the Exclusive Business Cooperation Agreement, repay any loans and pay any other due payments, and the WFOE shall have the right to exercise all such rights as a secured party under any applicable PRC law and the Equity Pledge Agreement, including without limitations, being paid in priority with the equity interests based on the monetary valuation that such equity interests are converted into or from the proceeds from auction or sale of the equity interest upon written notice to Beijing Xitui.

The equity pledge in connection with Liangzi Data has been registered with the relevant PRC governmental authority pursuant to PRC laws and regulations. The Equity Pledge Agreement shall be binding on the legal successors and assignees of Liangzi Data, Beijing Xitui, the Beijing Xitui Shareholders and the WFOE.

Power of Attorney

Beijing Xitui has executed the power of attorney dated May 20, 2022 (as amended and restated on August 18, 2022) (the “**Power of Attorney**”). Under the Power of Attorney, Beijing Xitui irrevocably appointed the WFOE and its designated persons (including but not limited to Directors and their successors and liquidators replacing the Directors) as their attorneys-in-fact to exercise on their behalf, and agreed and undertook not to exercise without such attorneys-in-fact’s prior written consent, any and all right that they have in respect of their equity interests in Liangzi Data, including, among others:

- (i) to be informed of the Liangzi Data’s operations, business, customers, finances, employees, and other information;
- (ii) to make decisions on important matters concerning Liangzi Data’s business, and to review and approve all reports and plans relating thereto, in accordance with the articles of association;
- (iii) to engage in or to perform its obligations to any procedures prior to the shareholders resolutions;

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- (iv) to execute any relevant shareholders resolutions;
- (v) to exercise all shareholders’ rights to which the authorized representative is entitled under the law and the articles of association of Liangzi Data, including but not limited to the right to vote, the right to sell or transfer or pledge or dispose of all or any part of the authorized representative’s equity interest and the right to decide on matters such as dividends.
- (vi) to make shareholders decisions to designate and appoint the chairman, directors, supervisors, general manager, chief finance officer and other senior management of Liangzi Data as the authorized representative;
- (vii) to sign and to exercise, on behalf of the authorized representative, documents relating to the shareholding rights of Liangzi Data and filing documents in relevant company registries;
- (viii) to approve the filing of any documents required to be submitted to the competent governmental authorities for filing, registration or approval;
- (ix) to exercise any shareholders’ rights to deal with Liangzi Data’s assets in accordance with applicable laws, including but not limited to the right to manage the business related to its assets, to have access of the income and to acquire the assets;
- (x) to exercise voting rights on behalf of the registered shareholders of Liangzi Data in the event of its bankruptcy, liquidation, dissolution or termination; and the right to distribute the remaining assets derived from the Liangzi Data’s bankruptcy, liquidation, dissolution or termination; and
- (xi) any other rights of shareholders as provided for by applicable PRC laws and the articles of association (and as amended from time to time).

The Power of Attorney will remain in force for 10 years and will be automatically renewed unless otherwise the WFOE or the WFOE’s designated third party disagrees for renewal, upon expiration, with written notice.

Undertakings from certain Beijing Xitui Shareholder and indirect shareholders of Beijing Xitui

Each of Dr. Zhou, Ms. Sun and Mr. Li Yan, being a registered shareholder or an indirect shareholder of Beijing Xitui (as the case may be), has executed an undertaking, pursuant to which he/she undertook to the effect that, among other things: (i) in the event of his/her death or any other event which causes his/her inability to exercise his/her rights as a Beijing Xitui Shareholder (including but not limited to bankruptcy, marriage or divorce), his/her successor shall be deemed as signatories to the Contractual Arrangements and perform his/her obligations thereunder, (ii) any interests in Liangzi Data secured by Beijing Xitui under the Contractual Arrangements will not be terminated or affected by any claims brought by him/her or his/her spouse, (iii) he/she will not cause any conflict of interest between him/her and the WFOE, and should any conflict of interest arise, he/she will take actions to eliminate such conflict and will protect the WFOE’s interests over his/her own interests, (iv) he/she will not take any action that is contrary to the intent of the Contractual Arrangements and (v) the undertakings, confirmations and authorizations made under the undertaking shall not be revoked, diminished, invalidated or otherwise adversely impacted by his/her incapacity, deaths or other similar events.

Spousal Consents

Each of Dr. Zhou and Ms. Sun has executed a spousal consent letter, pursuant to which he/she unconditionally and irrevocably agreed that, among other things, (i) he/she is aware of the arrangement pursuant to the Exclusive Option Agreement, Equity Pledge Agreement and Power of Attorney, (ii) no consent is required from him/her if his/her spouse decides to sell, transfer, pledge, or otherwise dispose of any equity interest held by

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his/her spouse in Beijing Xitui from time to time, (iii) he/she will not to take any action with the intent to interfere with the Contractual Arrangements, and (iv) he/she will take any necessary actions to ensure the obligations under the Exclusive Option Agreement, Equity Pledge Agreement and Power of Attorney (as amended from time to time) are duly performed.

Dispute Resolution

Each of the agreements under the Contractual Arrangements contains a dispute resolution provision. Pursuant to such provision, in the event of any dispute arising from the performance of or relating to the Contractual Arrangements, any party has the right to submit the relevant dispute to the China International Economic and Trade Arbitration Commission (Beijing) for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be confidential and the language used during arbitration shall be Chinese. The arbitration award shall be final and binding on all parties. The dispute resolution provisions also provide that the arbitral tribunal may award remedies over the shares or assets of Liangzi Data or injunctive relief (e.g. limiting the conduct of business, limiting or restricting transfer or sale of shares or assets) or order the winding up of Liangzi Data; any party may apply to the courts of Hong Kong SAR, the Cayman Islands (being the place of incorporation of our Company), the PRC and the places where the principal assets of the WFOE or Liangzi Data are located for interim remedies or injunctive relief.

However, our PRC Legal Advisor has advised that the above provisions may not be enforceable under the PRC laws. For instance, the arbitral tribunal would not grant such injunctive relief, nor will it be able to order the winding up of our Consolidated Affiliated Entities pursuant to the current PRC laws. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong SAR and the Cayman Islands may not be recognizable or enforceable in the PRC.

As a result of the above, in the event that Liangzi Data or Beijing Xitui breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over our Consolidated Affiliated Entities and conduct our business could be materially and adversely affected. See “Risk Factors — Risks Relating to our Contractual Arrangements” for further details.

Confirmations from Beijing Xitui

Beijing Xitui has confirmed that in any event which causes its inability to exercise its rights as the shareholder of Liangzi Data, it will take necessary actions to safeguard its interests in Liangzi Data (together with any other interests therein) and its successors will not claim any interests in Liangzi Data (together with any other interests therein) to the effect that Beijing Xitui’s interests in Liangzi Data shall not be affected.

Conflict of Interests

Beijing Xitui has given its irrevocable undertakings in the Power of Attorney which address potential conflict of interests that may arise in connection with the Contractual Arrangements. See “ — Summary of the material terms of the Contractual Arrangements — Power of Attorney” above.

Loss Sharing

Under the relevant PRC laws and regulations, none of our Company and the WFOE is legally required to share the losses of, or provide financial support to, our Consolidated Affiliated Entities. Further, our Consolidated Affiliated Entities are limited liability companies and shall be solely liable for their own debts and losses with assets and properties owned by them. The WFOE intends to continuously provide to or assist our

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Consolidated Affiliated Entities in obtaining financial support when deemed necessary. In addition, given that our Group conducts a substantial portion of its business operations in the PRC through our Consolidated Affiliated Entities, which hold the requisite PRC operational licenses and approvals, and that their financial position and results of operations are consolidated into our Group’s financial statements under the applicable accounting principles, our Company’s business, financial position and results of operations would be adversely affected if our Consolidated Affiliated Entities suffer losses.

Liquidation

Pursuant to the Equity Pledge Agreement, in the event of a mandatory liquidation required by the PRC laws upon the request of the WFOE, Beijing Xitui shall transfer the proceeds they received from liquidation to the account designated by the WFOE under the management of the WFOE, or give such proceeds as a gift to the WFOE to the extent permitted by the PRC laws.

Insurance

Our Company does not maintain an insurance policy to cover the risks relating to the Contractual Arrangements.

Our confirmation

Our Directors confirm that, as of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating our businesses through our Consolidated Affiliated Entities under the Contractual Arrangements.

LEGALITY OF THE CONTRACTUAL ARRANGEMENTS

Based on the above, our PRC Legal Advisor and our Directors are of the opinion that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations to the maximum extent and that:

- (i) each of the WFOE and our Consolidated Affiliated Entities is a duly incorporated and validly existing company and their respective establishment is valid, effective and complies with the relevant PRC laws;
- (ii) parties to each of the agreements are entitled to execute the agreements and perform their respective obligations thereunder. Each of the agreements is binding on the parties thereto and none of them is void under the Civil Code;
- (iii) none of the agreement under the Contractual Arrangements violates any provisions of the respective articles of association of our Consolidated Affiliated Entities or our WFOE;
- (iv) the execution and performance of the Contractual Arrangements would not be deemed as “civil legal acts that violate the mandatory provisions of laws and administrative regulations” under the Civil Code;
- (v) the Contractual Arrangements do not require any approvals from the PRC governmental authorities, except that:
 - (a) the exercise of the option by our WFOE of its rights under the Exclusive Option Agreement to acquire all or part of the equity interests in our Consolidated Affiliated Entities is subject to the approvals of, consent of, filing with and/or registrations with the PRC governmental authorities;

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- (b) the equity pledges contemplated under the Equity Pledge Agreement are subject to the registration with the relevant SAMR; and
- (c) the arbitration awards/interim remedies provided under the dispute resolution provision of the Contractual Arrangements shall be recognized by the PRC courts before compulsory enforcement; and
- (vi) each of the agreements under the Contractual Arrangements is valid, legal and binding under the PRC laws. If Beijing Xitui or the Beijing Xitui Shareholders fail to perform their respective obligations under the Contractual Arrangements, the WFOE may rely on the legal remedies under PRC law. For instance, if Beijing Xitui were to refuse, or any of the Beijing Xitui Shareholders were to refuse to procure Beijing Xitui, to transfer its equity interest in or assets of Liangzi Data to the WFOE (and/ or a third party designated by it) in the event that the WFOE exercises its exclusive rights under the Exclusive Option Agreement, or if they were otherwise to act in bad faith towards us, then the WFOE may initiate arbitral proceedings pursuant to the Contractual Arrangements to compel them to perform their contractual obligations, or to exercise their right as the pledgee to, among others, acquire all or part of Liangzi Data’s equity interests pursuant to the Equity Pledge Agreement. Notwithstanding the foregoing, the Contractual Arrangements provide that the arbitral body may award interim remedies over the shares and/or assets of our Consolidated Affiliated Entities, injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) and/or order the winding up of our Consolidated Affiliated Entities, and that courts of Hong Kong SAR, the Cayman Islands (being the place of incorporation of our Company) and the PRC (being the place of incorporation of our Consolidated Affiliated Entities) also have jurisdiction for the grant and/or enforcement of arbitral award and interim remedies against the shares and/or assets of our Consolidated Affiliated Entities, while under PRC laws, an arbitral body has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of or equity interests in our Consolidated Affiliated Entities in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts such as Hong Kong SAR and the Cayman Islands may not be recognizable or enforceable in China.

Based on the above analysis and advice from our PRC Legal Advisor, the Directors are of the view that the adoption of the Contractual Arrangements is unlikely to be deemed ineffective or invalid under the applicable PRC laws and regulations. See “Risk Factors — Risks Relating to Our Contractual Arrangements — If the PRC government deems that our Contractual Arrangements do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.”

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

Under the Exclusive Business Cooperation Agreement, it was agreed that, in consideration of the services provided by WFOE, each of our Consolidated Affiliated Entities will pay services fees to the WFOE. The services fees, subject to the WFOE’s adjustment, are equal to the entire total consolidated net income of our Consolidated Affiliated Entities. The WFOE may adjust the service fee amount at its sole discretion according to the services provided by our Consolidated Affiliated Entities. Accordingly, the WFOE has the ability, at its sole discretion, to extract all of the economic benefit of our Consolidated Affiliated Entities through the Exclusive Business Cooperation Agreement.

In addition, under the Exclusive Business Cooperation Agreement and the Exclusive Option Agreement, the WFOE has absolute contractual control over the distribution of dividends or any other amounts to Beijing Xitui as the WFOE’s prior written consent is required before any distribution can be made.

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As a result of these Contractual Arrangements, our Company exercises control over the operations of our Consolidated Affiliated Entities and receives substantially all of their economic benefits and residual returns. Accordingly, our Consolidated Affiliated Entities’ results of operations, assets and liabilities, and cash flows are consolidated into our Company’s financial statements. The basis of consolidating the results of our Consolidated Affiliated Entities is disclosed in Note 1 to the Accountants’ Report in Appendix I to this document.

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

Our Group has adopted but not limited to the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- (i) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;
- (ii) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (iii) our Company will disclose the overall performance of and compliance with the Contractual Arrangements in our annual reports; and
- (iv) our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of the WFOE and our Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

DEVELOPMENT IN PRC LEGISLATION ON FOREIGN INVESTMENT

Background of the Foreign Investment Law

On March 15, 2019, the National People’s Congress approved the Foreign Investment Law which became effective on January 1, 2020. On December 26, 2019, the State Council promulgated the Regulations on the Implementation of the Foreign Investment Law, which came into effect on January 1, 2020. The Foreign Investment Law replaced the Sino-Foreign Equity Joint Venture Enterprise Law, the Sino-Foreign Cooperative Joint Ventures Enterprise Law and the Wholly Foreign-Invested Enterprises Law to become the legal foundation for foreign investment in the PRC. The Foreign Investment Law stipulates certain forms of foreign investment, but does not explicitly stipulate contractual arrangements as a form of foreign investment. The Implementation Regulations on the Foreign Investment Law are also silent on whether foreign investment includes contractual arrangements.

Impact and consequences of the Foreign Investment Law

Conducting operations through contractual arrangements has been adopted by many PRC-based companies, including our Group. We use the Contractual Arrangements to establish control of our consolidated Affiliated Entities, by the WFOE, through which we operate our business in the PRC. As confirmed by the Beijing Municipal Communications Administration, the Contractual Arrangements do not violate any laws, administrative regulations, departmental rules or other regulatory documents that have been issued and enacted. As advised by our PRC Legal Advisor, since the Contractual Arrangements is not stipulated as a form of foreign investment in the Foreign Investment Law explicitly, and provided that no additional laws and administrative regulations, departmental rules or other regulatory documents on contractual arrangements have been issued and enacted the Foreign Investment Law does not, by itself, have any material adverse operational and financial

CONTRACTUAL ARRANGEMENTS

impact on the legality and validity of our Contractual Agreements as a whole and each of the agreements comprising the Contractual Agreements. See “ — Legality of the Contractual Arrangements.”

Notwithstanding the above, the Foreign Investment Law stipulates that foreign investment includes “foreign investors invest in China through any other methods under laws, administrative regulations or provisions prescribed by the State Council” without elaboration on the meaning of “other methods.” There are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. Therefore, there is no guarantee that the Contractual Arrangements and the business of our Consolidated Affiliated Entities will not be materially and adversely affected in the future due to changes in PRC laws and regulations. See “Risk Factors — Risks Relating to Our Contractual Arrangements.”

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR GROUP OF CONTROLLING SHAREHOLDERS

Our Group was established by Dr. Zhou, one of the members of our group of Controlling Shareholder, in November 2014. As of the Latest Practicable Date, Dr. Zhou, through Mars Legend, indirectly held approximately 31.54% of the total issued share capital of our Company. Mars Legend is indirectly controlled by Dr. Zhou Trust (through SJY Family Holdings, a company incorporated in the BVI and wholly owned by Dr. Zhou Trust) which was established by Dr. Zhou as the settlor and his wholly owned company, Mars Digitech Limited, as beneficiary. Ms. Sun, Dr. Zhou’s spouse, indirectly held approximately 2.37% of the total issued share capital of our Company as of the Latest Practicable Date through Mercury Valley. Mercury Valley is indirectly controlled by Sun Jinghuai Trust (through JHY Family Holdings Limited, a company incorporated in the BVI and wholly owned by Sun Jinghuai Trust) which was established by Ms. Sun as the settlor and her wholly owned company, Mercury Digitech Limited, as beneficiary. In addition, our employee shareholding platforms, namely Jupiter Rock and Venus Energy, entered into the Voting Proxy Arrangement, pursuant to which Dr. Zhou was entitled to exercise the voting power associated with approximately 7.17% and 4.12% of issued share capital of our Company as of the Latest Practicable Date held by the Jupiter Rock and Venus Energy, respectively. Therefore, our group of Controlling Shareholders, comprising Dr. Zhou, Mars Legend, SJY Family Holdings, Mars Digitech Limited, Dr. Zhou Trust, Mercury Valley, JHY Family Holdings Limited, Mercury Digitech Limited, Sun Jinghuai Trust and Ms. Sun, were entitled to exercise the voting power associated with approximately 45.21% of the issued share capital of our Company in aggregate as of the Latest Practicable Date.

Immediately after the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Zhou will cease to exercise any voting power associated with the Shares held by Jupiter Rock and Venus Energy associated with the unvested RSUs. While the Trustee will be responsible for the administration of Jupiter Rock and Venus Energy, the Trustee is not entitled to exercise the voting rights attached to the Shares held by Jupiter Rock and Venus Energy pursuant to the relevant trust deed and the RSU Schemes. Hence, the voting rights attached to the Shares held by Jupiter Rock and Venus Energy will not be exercised until the relevant RSUs associated with such Shares are vested. Upon vesting of the RSUs, the voting rights associated with the underlying Shares will be exercised by the relevant grantees to whom the RSUs associated with such Shares are granted. As of the Latest Practicable Date, no RSU has been vested. Immediately after the [REDACTED] (assuming the [REDACTED] is not exercised), our group of Controlling Shareholders will be entitled to exercise the voting power associated with approximately [33.03]% of the issued share capital of our Company at general meetings of the Company.

No Competition Confirmation

Our Controlling Shareholders have confirmed that as of the Latest Practicable Date, none of them was interested in any business, other than our business, which competes or is likely to compete, either directly or indirectly, with our business, which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

OUR RELATIONSHIP WITH THE RETAINED LIANGKEBANG GROUP

During the Track Record Period, Dr. Zhou was directly and/or indirectly, entitled to exercise an aggregate of approximately 45.43% of voting rights in Liangkebang through his interests in the Quant Group Limited. The Retained Liangkebang Group commenced its business in January 2014, focusing on the operation of consumer loans related business. Our Group commenced our business in November 2014 to provide undertake a brand new business to provide matching services for business partners to match their goods with end customers that meet their target customer criteria solutions on its own apps in response to the market demand for online marketplaces for consumption in China. To comply with the PRC foreign ownership restrictions, Quant Group Limited gained

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

effective control over, and received all the economic benefits generated by the businesses operated by Liangkebang and its subsidiaries through contractual arrangements (the “**Liangkebang Contractual Arrangements**”) which remained to be valid and effective as of the Latest Practicable Date. On April 23, 2025, Dr. Zhou had disposed of the entire shareholding interests that he directly and/or indirectly held in Quant Group Limited and Liangkebang, to an independent third party. Hence, as of the Latest Practicable Date, Liangkebang was an independent third party.

INDEPENDENCE FROM OUR GROUP OF CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our group of Controlling Shareholders and their respective close associates after the Listing.

Operational Independence

Our Group holds, or has applied for, all the relevant material intellectual property rights, licenses, qualifications and permits required for conducting our Group’s business. Our Group has sufficient capital, facilities and employees to operate our business independently from our group of Controlling Shareholders and their close associates (including the Retained Liangkebang Group). We have our own organizational structure with independent departments, each with specific areas of responsibility. Our operating departments, such as human resources department, administration department, procurement management department, legal department and investment and financing department operate independently of our group of Controlling Shareholders and their close associates (including the Retained Liangkebang Group). We also maintain a set of comprehensive internal control measures within each department to facilitate the effective operation of our business. We have independent access to suppliers and customers and are not dependent on our group of Controlling Shareholders and their close associates to conduct business development.

Based on the above, our Directors are of the view that we are able to operate independently of our group of Controlling Shareholders.

Management Independence

Our Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. See “Directors and Senior Management” for more details of our Directors. Dr. Zhou, our ultimate Controlling Shareholder, is also our founder, one of the executive Directors, the chairman of the Board and the chief executive officer of our Company. See “Directors and Senior Management” for biographical details of Dr. Zhou.

We believe that our Directors and senior management can perform their duties in our Company independently from our group of Controlling Shareholders, for the following reasons:

- each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she must act for the benefit of and in the best interests of our Company and not allow his or her personal interests to interfere with our Company’s best interests;
- in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director (e.g., Dr. Zhou) or his or her respective close associates, he or she shall abstain from voting on any Board resolutions approving any contract, arrangement or any other proposal in which he or she or any of his or her close associates has a material interest and shall not be counted in the quorum present at the relevant Board meeting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors which ensures the independence of our Board in making decisions affecting our Company. Specifically, (i) our independent non-executive Directors are not associated with Dr. Zhou or his associates, (ii) our independent non-executive Directors account for one-third of the Board, and (iii) our independent non-executive Directors individually and collectively possess the requisite knowledge and experience as independent directors of listed companies and will be able to provide professional and experienced advice to our Company. We believe that our independent non-executive Directors can bring independent judgment to the decision-making process of our Board and hence protect the interests of our Company and our Shareholders as a whole; and
- we will establish corporate governance measures and adopt sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Group and Dr. Zhou, which would support our independent management. See “— Corporate Governance Measures” for further details.

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control of our Company. Our finance department is able to function without any undue influence from our group of Controlling Shareholders. We have also established an internal control system, an independent audit system, a standardized financial and accounting system and have set our own accounting policy based on the applicable PRC accounting principle and standards. In addition, we have been and are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our group of Controlling Shareholders or their respective close associates.

As of the Latest Practicable Date, there were no outstanding loans, advances or balances due to our group of Controlling Shareholders or their respective close associates, and there were no outstanding pledges or guarantees provided for our benefit by our group of Controlling Shareholders or their respective close associates.

Based on the above, our Directors are satisfied that we are able to maintain financial independence from our group of Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our minority Shareholders, we will adopt the following corporate governance measures to manage potential conflicts of interest between our Group and our group of Controlling Shareholders:

- our group of Controlling Shareholders will provide an annual confirmation that they are in compliance with their undertakings under the Non-competition Agreement for disclosure in our annual report;
- our independent non-executive Directors will review, on an annual basis, the compliance by our group of Controlling Shareholders of their undertakings under the Non-competition Agreement;
- our Controlling Shareholders will provide all information requested by our Company which is necessary for the review of any conflict of interest between our Group and Dr. Zhou and the performance of the Non-competition Agreement, including an annual review by the independent non-executive Directors;
- our Company will disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance and enforcement of our group of Controlling Shareholders’ undertakings in our annual reports or by way of announcement to the public in compliance with the requirements of the Listing Rules;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company’s cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules;
- any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent shareholders’ approval requirements (if applicable) under the Listing Rules;
- in the event of any potential conflict of interests, our Director(s) with an interest in the relevant transaction(s) shall abstain from voting at the relevant Board meeting and shall not be counted towards the quorum in respect of the relevant resolution(s) at such Board meeting; and
- in the event of any potential conflict of interests at the shareholders’ level, our group of Controlling Shareholders shall abstain from voting at the Shareholders’ meeting of our Company with respect to the relevant resolutions.

CONNECTED TRANSACTIONS

Upon Listing, we have entered into the contractual arrangements that will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

The following connected persons has entered into continuing connected transactions with us:

Connected person	Connected relationship
Beijing Xitui	Beijing Xitui is a 30%-controlled company of Dr. Zhou, our executive Director and one of our substantial Shareholders. Pursuant to Rule 14A.07(4) and 14A.12(1)(c), Beijing Xitui is an associate of our Director and substantial Shareholder and thus a connected person of our Group.

CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions that will constitute continuing connected transactions under Rule 14A.31 of the Listing Rules upon Listing.

Transaction	Applicable Listing Rules	Waiver sought	Historical transaction amounts			Proposed annual cap for the years ending December 31		
			For the years ended December 31					
			2022	2023	2024	2025	2026	2027
			(RMB '000)	(RMB '000)	(RMB '000)	(RMB '000)	(RMB '000)	(RMB '000)
Non-exempt continuing connected transaction								
Contractual Arrangements	Rule 14A.35	Announcement,	N/A	N/A	N/A	N/A	N/A	N/A
	Rule 14A.36	independent						
	Rule 14A.52	shareholders’						
	Rule 14A.53	approval,						
	Rule 14A.105	annual cap, and						
		three-year term						
		requirements						

CONTRACTUAL ARRANGEMENTS

Background

As PRC laws restrict foreign ownership of value-added telecommunications service providers in the PRC, we conduct our Relevant Businesses through our Consolidated Affiliated Entities in the PRC. We do not hold any equity interests in our Consolidated Affiliated Entities, however, we effectively control our Consolidated Affiliated Entities and are able to derive substantially all of their economic benefits, and expect to continue to do so, through the Contractual Arrangements.

See “Contractual Arrangements” for detailed terms of the Contractual Arrangements.

Principal Terms of the Transactions

The Contractual Arrangements comprise the following agreements: Exclusive Business Cooperation Agreement, Exclusive Option Agreement, Equity Pledge Agreement and Power of Attorney.

CONNECTED TRANSACTIONS

Listing Rules Implications

For the purpose of Chapter 14A of the Listing Rules, and in particular the definition of “connected person”, our Consolidated Affiliated Entities will be treated as our Company’s subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and its associates will be treated as connected persons of our Company as applicable under the Listing Rules (excluding for this purpose, the Consolidated Affiliated Entities themselves). Therefore, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules upon [REDACTED].

The highest applicable percentage ratios under the Listing Rules in respect of the transactions associated with the Contractual Arrangements are expected to be more than 5%. As such, the transactions will be subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Reasons for the Transaction

Our Directors (including the independent non-executive Directors) are of the view that (i) the Contractual Arrangements and the transactions contemplated therein are fundamental to our legal structure and business operations, and (ii) that our structure, whereby the financial results of our Consolidated Affiliated Entities are consolidated into our financial statements as if they were our Company’s wholly-owned subsidiaries, and all the economic benefits of their business flows to our Group, places our Group in a special position in relation to the connected transactions rules under Chapter 14A of the Listing Rules.

Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into, among others, by our Consolidated Affiliated Entities and any member of our Group from time to time (including Consolidated Affiliated Entities) (the “**New Intergroup Agreements**”) technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, for all such transactions to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and independent shareholders’ approval requirements.

Waiver Application

In respect of the Contractual Arrangements and New Intergroup Agreements, we have applied for[, and the Stock Exchange has granted,] waivers from strict compliance with (i) the announcement, circular and independent shareholders’ approval requirements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement to set a term of three years or less under Rule 14A.52 of the Listing Rules, and (iii) the requirement to set annual caps under Rule 14A.53 of the Listing Rules, for so long as [REDACTED] are [REDACTED] on the Stock Exchange subject to the following conditions.

No change without independent non-executive Directors’ approval

No change to the Contractual Arrangements (including with respect to any fees payable to the WFOE thereunder) will be made without the approval of our independent non-executive Directors.

CONNECTED TRANSACTIONS

No change without independent Shareholders’ approval

Save as described below, no change to the agreements governing the Contractual Arrangements will be made without the approval of our independent Shareholders. Once independent Shareholders’ approval of any change has been obtained, no further announcement or approval of the independent Shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company will however continue to be applicable.

Economic benefits and flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through (i) our Group’s options (if and when so allowed under the applicable PRC laws) to acquire, all or part of the equity interests in the Consolidated Affiliated Entities for nil consideration or the minimum amount of consideration permitted by applicable PRC Laws, (ii) the business structure under which the profit generated by the Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to the WFOE by our Consolidated Affiliated Entities under the Contractual Arrangements, and (iii) our Group’s right to control the management and operation of, as well as, in substance, a substantial portion of the voting rights of the Consolidated Affiliated Entities.

Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between, on the one hand, our Company and the subsidiaries in which our Company has direct shareholding and, on the other hand, the Consolidated Affiliated Entities, this framework may be renewed and/or reproduced without an announcement, circular, or obtaining the approval of our Shareholders (i) upon the expiry of the existing arrangements, (ii) in connection with any changes to the shareholders or directors of, or of their shareholdings in, the Consolidated Affiliated Entities, or (iii) in relation to any existing, new or acquired wholly foreign-owned enterprise or operating company (including branch company) engaging in a business similar or relating to those of our Group.

The directors, chief executive or substantial shareholders of any existing, new or acquired wholly foreign-owned enterprise or operating company (including branch company) engaging in a business similar or relating to those of our Group will, upon renewal and/or reproduction of the Contractual Arrangements, be treated as connected persons of our Group and transactions between these connected persons and our Group other than those under similar Contractual Arrangements shall comply with Chapter 14A of the Listing Rules.

This condition is subject to relevant PRC laws, regulations and approvals. Any such renewed or reproduced agreements will be on substantially the same terms and conditions as the existing Contractual Arrangements.

Ongoing reporting and approvals

We will disclose details relating to the Contractual Arrangements on an ongoing basis:

- the Contractual Arrangements in place during each financial period will be disclosed in our Company’s annual report and accounts in accordance with the relevant provisions of the Listing Rules;
- our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company’s annual report that for the relevant year (i) the transactions carried out during

CONNECTED TRANSACTIONS

such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group, and (iii) any new contracts entered into, renewed or reproduced between our Group and the Consolidated Affiliated Entities are fair and reasonable, or advantageous to our Shareholders, so far as our Group is concerned and in the interests of our Shareholders as a whole;

- our Company’s auditors will carry out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange, confirming that the transactions have been approved by our Board, have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;
- for the purpose of Chapter 14A of the Listing Rules, and in particular the definition of “connected person”, our Consolidated Affiliated Entities will be treated as our Company’s subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and its associates will be treated as connected persons of our Company as applicable under the Listing Rules (excluding for this purpose, the Consolidated Affiliated Entities themselves), and therefore transactions between these connected persons and our Group (including for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules; and
- our Consolidated Affiliated Entities will, for so long as [REDACTED] are [REDACTED] on the Stock Exchange, provide our Group’s management and our Company’s auditors with full access to its relevant records for the purpose of reporting on the connected transactions.

CONFIRMATIONS

Confirmation from the Directors

Our Directors (including the independent non-executive Directors) of our Company are of the view that the Contractual Arrangements and the transactions contemplated thereunder have been entered into and will be entered into during our ordinary and usual course of business on normal commercial terms or better, and are fair and reasonable and in the interests of our Company and the Shareholders as a whole. Further, our Directors are of the view that with respect to the terms of the relevant agreements underlying the Contractual Arrangements, which are of a duration of longer than three years, it is justifiable and normal business practice for the Contractual Arrangements of this type to be of such duration to ensure that (i) the financial and operational policies of the Consolidated Affiliated Entities can be effectively controlled by the WFOE, (ii) the WFOE can obtain the economic benefits derived from the Consolidated Affiliated Entities, and (iii) any possible leakages of assets and values of the Consolidated Affiliated Entities can be prevented, on an uninterrupted basis.

Confirmation from the Joint Sponsors

With respect to the term of the relevant agreements underlying the Contractual Arrangements which is of a duration longer than three years, the Joint Sponsors are of the view that it is a justifiable and normal business practice for the Contractual Arrangements of this type to be of such duration to ensure that (i) the financial and operation of the Consolidated Affiliated Entities can be effectively controlled by the WFOE; (ii) the WFOE can obtain the economic benefits derived from the Consolidated Affiliated Entities, and (iii) any possible leakages of assets and values of the Consolidated Affiliated Entities can be prevented on an uninterrupted basis.

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You should read the following discussion and analysis in conjunction with our audited consolidated financial information as of and for the three financial years ended December 31, 2022, 2023 and 2024, and for the five months ended May 31, 2025 included in the Accountants’ Report set out in Appendix I to this document, together with the accompanying notes. Our consolidated 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 that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document.

OVERVIEW

We are an operator of online marketplaces for consumption in China. Currently, we operate a consumer E-commerce platform, namely, Yangxiaomie (羊小咩), and an automobile retail O2O platform, namely, Consumption Guide (消費地圖). We help our business partners, i.e., (1) marketplace suppliers on Yangxiaomie, comprising merchandise suppliers and POP store operators to match their consumer goods with end purchasers, and (2) marketplace suppliers on Consumption Guide, in particular automobile retailers and, during the Track Record Period, both automobile retailers and merchants of local lifestyle goods and services, to match their goods and services with end consumers with our online marketplaces. To a much lesser extent, we also assisted our business partners to place advertisements. During the Track Record Period, we also helped financial institutions to match them with potential end borrowers.

Since our inception, we provide matching services on our online marketplaces. China’s matching services for consumption market can be divided into (1) matching services for consumption market, which refer to matching services provided on online marketplaces (such as Yangxiaomie (羊小咩) and Consumption Guide (消費地圖) in our case) in which customers can make transactions and have direct interactions with enterprise clients and (2) other matching services for consumption market¹. The share of China’s market of online marketplace for consumption as in China’s total retail market reached 36.9% in 2024. According to Frost & Sullivan, in terms of GMV, the market size of online marketplace for consumption in China increased from RMB13.9 trillion in 2020 to RMB25.7 trillion in 2024, with a CAGR of 16.5% during the period. The market size of online marketplace for consumption in China is expected to further grow from RMB29.1 trillion in 2025 to RMB41.2 trillion in 2029, with a CAGR of 9.1%. Matching services for consumption market are exclusively applied to consumption-related businesses, such as retail, restaurant, hospitality, and financing services. Such businesses benefit from the aggregation of a diverse range of end customers, or online traffic, on established apps and websites helping them to increase customer conversion rates, expand user bases, improve operational efficiencies and lower costs, with an aim to improving revenue and profits. Traditional enterprises often face significant hurdles in providing end customers with engaging, relevant and convenient websites or apps as they lack online customer engagement expertise, technology infrastructure and capabilities in providing goods and services that are appealing to end customers. As a result, driven by increase in their needs for matching services, enterprises have turned to third-party providers of matching services for effective ways to acquire new end customers and expand their end customer bases. Matching services for consumption market emerged to fulfill the unmet needs for long-term

¹ Other matching services for consumption market refer to matching services for consumption market that are not provided on proprietary apps or websites (i.e. either through open online platforms or through offline applications).

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measurable improvement in performance, user acquisition and transaction management which enterprise clients using other matching services for consumption market, such as customer relation management applications through offline applications, could not attain.

We build and operate various apps that connect business partners with their end customers. Our business partners comprise (1) marketplace suppliers on Yangxiaomie, comprising merchandise suppliers and POP store operators, (2) marketplace suppliers on Consumption Guide, primarily automobile retailers, and historically, (3) financial institutions. Advertisers of our advertisement placement services comprise marketplace suppliers on Consumption Guide. As a result of the integrated nature of our matching services and our business model, as we help more business partners engage their end customer base through our services, we attract more interested end customers to our apps, increasing the efficacy of our services and allowing us to expand our services offerings, which in turn can further help our other business partners expand their end customer base. As such, unlike platforms that are isolated platforms serving their end customers while retaining the online traffic within such platforms, our apps are capable of promoting mobility of online traffic allowing our business partners to tap into traffic across different apps.

Our business model is centered around the integration of our online marketplaces, end customers and goods and services provided by our business partners, forming a virtuous cycle for our business development. For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, through our online marketplaces powered by QuantPlanet, we had facilitated transactions with a transaction value of RMB3.6 billion, RMB4.9 billion and RMB7.7 billion and RMB4.6 billion, respectively. For the year ended December 31, 2022, our total revenue and loss for the year were RMB475.3 million and RMB0.3 million, respectively. For the year ended December 31, 2023, our total revenue and profit for the year were RMB529.7 million and RMB3.6 million, respectively. For the year ended December 31, 2024, our total revenue and profit for the year were RMB993.0 million and RMB147.1 million, respectively. For the five months ended May 31, 2024, our total revenue and profit for the period were RMB299.9 million and RMB34.7 million, respectively. For the five months ended May 31, 2025, our total revenue and profit for the period were RMB414.1 million and RMB125.6 million, respectively. Our adjusted EBITDA (non-IFRS measure) and adjusted profit for the periods (non-IFRS measure) were RMB137.4 million and RMB126.3 million for the year ended December 31, 2022, RMB155.3 million and RMB147.6 million for the year ended December 31, 2023, RMB417.9 million and RMB363.3 million for the year ended December 31, 2024, RMB139.1 million and RMB123.8 million for the five months ended May 31, 2024 and RMB249.7 million and RMB211.6 million for the five months ended May 31, 2025, respectively. See “— Results of Operations — Non-IFRS Measures” for details.

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Pricing Model

The following table illustrates the transaction nature, customers from whom we receive revenue, pricing model and revenue recognition method for our three revenue streams, namely operation of online marketplaces, matching services for financial institutions and advertisement placement, during the Track Record Period.

Transaction nature	Pricing model	Revenue recognition	Nature of revenue
I. Operation of Online Marketplaces			
Yangxiaomie			
We market marketplace suppliers' goods which are transacted directly on Yangxiaomie. The goods are either (i) sourced from merchandise suppliers and sold by us or (ii) sourced and sold by POP store operators on Yangxiaomie.	(i) For goods sold by us and sourced from merchandise suppliers, we earn a margin, ranging from 0% ¹ to 59.7%, for each good transacted on Yangxiaomie (i.e. the difference between what we receive from end customers for such good and what we pay to the merchandise suppliers for such goods).	(i) Net basis	(i) Margin
	(ii) For goods sourced and sold by POP store operators on Yangxiaomie ² , we receive a commission from the POP store operators, being a percentage of the transaction value generated, typically ranging from 1% to 5% depending on the product category.	(ii) Gross basis	(ii) Commission
Consumption Guide			
We primarily match end customers that purchase automobiles and, to a small extent, local lifestyle services, which are sold/provided by the marketplace suppliers in offline stores.	(i) For local lifestyle goods and services: From April 2022 to the end of 2023, we earned a commission, being percentage of the transaction value generated through Consumption Guide, from merchants of local goods and lifestyle services, ranging from approximately 6% to 22%, after deducting rebates.	(i) Gross basis	(i) Commission
	(ii) For automobile: Prior to December 31, 2023, we sold consumption coupon of automobiles which were distributed on Consumption Guide, where we received a service fee of RMB3,000 or RMB5,000 for each automobile consumption coupon redeemed ³	(ii) Gross basis	(ii) Commission

¹ During the Track Record Period, the transaction value where our Group earned a margin of 0% was RMB1,362.6, which was non-recurring and event-specific. For instance, we organized local events for coffee shops to attract online traffic to their offline stores. Given the immaterial transaction value, no material losses were incurred.

² We entered into a POP store onboarding cooperation agreement with POP Store A in May 2024. We began to generate revenue from provision of matching services for POP Store A starting from June 2024. Our revenue derived from matching services for our merchandise suppliers and POP Store A on Yangxiaomie amounted to RMB903.8 million and RMB21.3 million for the year ended December 31, 2024, respectively. And for the period ended May 31, 2025, our revenue derived from matching services for our merchandise suppliers and POP Store A on Yangxiaomie amounted to RMB373.2 million and RMB32.9 million, respectively.

³ We charged either RMB3,000 or RMB5,000 for each automobile consumption coupon distributed, which represented either 50% or 100% of the face value of the coupon. We receive a higher percentage from the distribution of automobile consumption coupons because automobiles are luxuries that are intrinsically higher in value and the face value of the automobile consumption coupons only represents a small percentage of the actual value of the automobiles. In addition, according to Frost & Sullivan, a service fee ranging from RMB3,000.0 to RMB5,000.0 for each automobile purchase facilitated is in line with market norms.

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Transaction nature	Pricing model	Revenue recognition	Nature of revenue
	Since January 2024, the automobile retailer we partner with (currently, Auto Partner A) shared profit with us in amounts ranging from RMB200 to RMB37,000 per purchase based on the selling price of the automobiles sold.		

II. Other businesses

Advertisement Placement

We place advertisements for our business partners.	We receive a fixed fee from marketplace suppliers, ranging from approximately RMB9,700 to RMB69,800 each month, depending on the type of advertisement placed.	Gross basis	Service fee

Provision of matching services for financial institutions

We match financial institutions with potential end borrowers.	During the Track Record Period and up to September 2024, we received a commission, being a percentage of the amount of loan facilitated on Yangxiaomie, from financial institutions. The percentage ranged from nil to 8.6%, depending on the type of services offered.	Gross basis	Commission

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

General Factors

Trends and Development of China’s Online Marketplace for Consumption Industry

We are an operator of online marketplaces for consumption in China. Currently, we operate a consumer Ecommerce platform, namely, Yangxiaomie (羊小咩), and an automobile retail O2O platform, namely, Consumption Guide (消費地圖). Our business and results of operation are significantly affected by China’s overall economic conditions and the development of China’s online market for consumption industry. Driven by the fast growing online retail market, the development and maturation of big data, cloud computing and other supporting technologies and governmental policies such as The 14th Five-Year Plan for Digital Economy Development (《“十四五”數字經濟發展規劃》) which supports large enterprises to build integrated digital platforms and the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services (《互聯網信息服務算法推薦管理規定》), which optimizes the regulatory environment of the industry, in terms of GMV, the market size of online marketplace for consumption in China increased from RMB 13.9 trillion in 2020 to RMB 25.7 trillion in 2024, with a CAGR of 16.5% during the period. The market size of online marketplace for consumption in China is expected to further grow from RMB 29.1 trillion in 2025 to RMB 41.2 trillion in 2029, with a CAGR of 9.1%. We believe that the continuous growth of China’s online marketplace for consumption industry will result in increasing demand for our service offerings. See “Risk Factors — Risks Relating to the [REDACTED] — We cannot assure you of the accuracy or completeness of certain facts, forecasts and other statistics obtained from official government publications contained in this document” for details.

China’s Regulatory Environment

Our business and results of operations are also subject to evolving regulatory environment changes. In recent years, a series of laws and regulations have been promulgated relating to areas such as internet security,

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data protection and platform economy sector. We face uncertainties and may become subject to unexpected costs due to new laws and regulations, which could negatively impact our business and financial condition, results of operations and prospects. In addition, our business partners, particularly financial institutions, are subject to laws and regulations promulgated in relation to their services. Such uncertainties may cause a decrease in demand for our business partners’ service, which may adversely impact our business. See “Risk Factors — Risks Relating to Our Business and Our Industry — Regulatory, legislative or self-regulatory developments for online businesses, including privacy and data protection regimes, are expansive, not clearly defined and rapidly evolving. These laws and regulations could create unexpected costs, subject us to enforcement actions for compliance failures, or restrict portions of our business or cause us to change our technology platform or business model” for details.

In addition, the operation of our Consumption Guide may be affected by governmental policies and regulations on distribution of government discount coupons offered by government agencies. Although we do not collect any service fee in connection with the distribution of these government discount coupons, we distribute these coupons to attract and retain our end customers. Given the overall government strategy to encourage domestic consumption, we expect the favorable governmental policies will continue in the foreseeable future. During the Track Record Period, we distributed government discount coupons with face values of RMB224.0 million, RMB453.1 million, RMB196.9 million and nil and consumption coupons with face values of RMB423.5 million, RMB324.9 million, RMB0.72 million and nil in 2022, 2023 and 2024 and the five months ended May 31, 2025, respectively.

Company Specific Factors

In addition to the general factors mentioned above, we believe our results of operations are also directly affected by the following specific factors:

Market Adoption of Our Services

We have been developing our matching services on our online market to create a value chain connecting our business partners with their target customers, to enhance the efficiency and effectiveness of our business partners’ operations of business. We believe the benefits of our integrated QuantPlanet platform put us in a favorable position to capture a significant portion of these opportunities and we intend to rigorously maintain our competitive advantage and increase customer adoption. Our growth also depends on our ability to apply our matching services to more apps and pursue adjacent market opportunities, which can be achieved if we successfully leverage our existing technology and information assets and continue to innovate and adapt to demands of these new opportunities. See “Risk Factors — Risks Relating to Our Business and Our Industry — Our business, growth and prospects are significantly affected by the growth in online marketplaces and usage of matching services in China” for details.

Our Ability to Upgrade and Expand Our Services

We have achieved rapid growth through upgrading and expanding our. Our future success is significantly dependent on our ability to further enhance the quality and expand the scope of our services. We plan to further expand our business model by further incorporating more service modules onto our QuantPlanet with advertising capabilities. Furthermore, we seek to improve the breadth and quality of our services, and to enhance our brand recognition, in order to capture additional market share, enjoy better economies of scale and improve our profitability.

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Our Ability to Expand Our Business Partner and End Customer Base and Relationships

Our success depends on our ability to grow our business partner and end customer base and deepen our relationship with existing business partners. Leveraging our established reputation, we aim to expand our business partner and end customer base via word-of-mouth referrals, direct sales and channel sales, to further accelerate our growth.

Our success at establishing relationships with leading business partners such as financial institutions and online retailers, contributed to our strong reputation. We intend to continue to focus on collaborating with business partners in traditional industries. We also intend to leverage our industry expertise and existing app templates to cost-effectively convert business partners in extensive industries. Our future growth depends on our ability to execute these strategies.

Our success in increasing our business partner base and revenues generated will depend on our ability to further deliver innovative and high-quality services. It also depends on our ability to maintain an experienced and dedicated direct sales and marketing team. Our dedicated in-house direct sales and marketing team consisted of four employees as of May 31, 2025, each with extensive knowledge in our services and related technologies. We intend to further expand our direct sales and marketing team and contribute the efforts in growing our business partner base. See “Risk Factors — Risks Relating to Our Business and Our Industry — Our arrangements with our business partners are typically not exclusive. Failure to maintain relationships with existing business partners, especially our major business partners, or develop new ones may materially and adversely affect our business and results of operations” for details.

Our Ability to Continue to Enhance Our Technology Capabilities

We have a proven record of developing new features and capabilities on our platform and apps based on our technology capabilities to deliver superior user experience. For example, in September 2020, we started building our existing services and introduced operations, marketing, goods and services enabling modules for business partners, while continuing to provide services for financial institutions, and in December of the same year, we introduced search engine optimization and personalized recommendation algorithms to the existing algorithm module on our technology platform to further enhance our matching capabilities. We believe our capabilities are a critical differentiating advantage for us and also a key factor that affects our revenues and financial results in the long term.

To further contribute to matching services along our value chain, we will continue to invest in our technology infrastructure and our development capabilities so as to take advantage of longer-term opportunities. Our ability to improve our existing matching services and develop new ones depends on the scale of our technology infrastructure and our ability to expand our technological resources and enhance the capabilities of our services. We plan to continue to invest in upgrading and expanding our technology infrastructure, and develop new services, for example, enhancing our search engine optimization algorithms, intelligent recommendation algorithms and our matching capabilities, and improving and updating our business model. See “Business — Our Strategies — Increase Investment in Research and Development Capabilities and Our Technology Infrastructure” and “Future Plans and [REDACTED]” for details.

Our Ability to Effectively Control Our Costs and Expenses

Our ability to manage and control our costs and expenses is critical to the success of our business. We have invested in developing technology capabilities and infrastructure in order to provide comprehensive matching services. We have also been developing new services. For example, we are capturing the market opportunity by

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investing more time and resources in underlying technologies such as AI to empower our technology infrastructure. As a result, we expect our costs and expenses related to our technology investments will increase along with the increase in revenue generated from our services. Nonetheless, we are committed to improving our operating efficiency by managing our cost and expenses. As we continue to generate user traffic through operation of our own apps such as Yangxiaomie and Consumption Guide, we have effectively reduced our cost and expenses. We funnel online traffic onto our apps and channel suitable online traffic to the business partners which can further engage the channeled online traffic and then convert them into their customers, thereby vitalizing their customer base. With the number of business partners we have and the integrated business model we operate under, we can generate traffic flows at relatively lower costs through our own apps and, unlike our peers, do not need to rely on procuring user traffic from third party suppliers. See “Business — Competition” for details. Since the beginning of 2022, we have ceased procuring user traffic from third party suppliers, resulting in a reduction in our data service cost and Internet advertising and promotion expenses. In addition, in April 2022, we implemented a new internal policy for budget management and management measures for goods procurement, which allowed us to effectively manage our operating expenses and budget for business operations. While we expect our overall costs and expenses to increase as our business expands, we also expect our costs and expenses as a percentage of our total revenue to decrease as we achieve greater economies of scale and higher operating efficiency. See “Risk Factors — Risks Relating to Our Business and Our Industry — As we expand our business partner base and increase the size and capabilities of our organization, we may experience difficulties in managing and sustaining our growth” for details.

Our Ability to Compete Effectively

According to Frost & Sullivan, while the top five players in the online market for consumption industry accounted for approximately 82% of the total GMV, there were around 200 online marketplaces with GMV scale from multiple billions to tens of billions in China in 2024. This indicates that the online marketplace for consumption industry is highly concentrated among the top players while encompassing a wide range of participants of diverse scales. With the continuous expansion of the online marketplace industry, and as more and more consumers have developed a habit or even dependency on making purchase through online platforms, platforms of all scales are presented with distinct and abundant opportunities to develop and sustain their business. Despite the high concentrating market share of the industry is sufficiently big with total GMV of RMB 25.7 trillion in 2024 to accommodate a niche player like us. Our direct competitors are other operators of online marketplaces for consumption of similar scale. In 2024, our GMV accounted for approximately 0.03% of the total GMV in the market of online marketplace for consumption in China. See “Business — Competition” and “Risk Factors — Risks Relating to Our Business and Our Industry — We face intensive competition in the markets in which we operate and some of our competitors may have greater resources or brand recognition than us.” for details.

BASIS OF PREPARATION AND PRESENTATION

The principal accounting policies applied in the preparation of the Historical Financial Information are in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”).

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are carried at fair value. The Historical Financial Information has been prepared based on the consolidated financial statements of the Group. Inter-company transactions, balances and unrealized gains/losses on transactions between group companies are eliminated on consolidation.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in

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the process of applying our Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 3 to the Accountants’ Report included in Appendix I to this document.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, we have consistently applied all applicable new and revised IFRS Accounting Standards throughout the Track Record Period. We have not adopted any new accounting standards or interpretations issued but not yet effective for the accounting period beginning January 1, 2025 which are set out in Note 32 to the Accountants’ Report set out in Appendix I to this document.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

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

Material Accounting Policies

Segment Reporting

Operating segments and the amounts of each segment item reported in the Historical Financial Information are identified from the financial information provided regularly to the Group’s most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group’s various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group’s chief operating decision maker has been identified as the Chief Executive Officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group.

Revenue Recognition

We recognize revenue when control over a product or service is transferred to the customers, or the lessee has the right to use the asset, at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

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Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by our performance as we perform;
- our performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- our performance does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct goods or services.

Where a contract contains a financing component which provides a significant financing benefit to our clients for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where a contract contains a financing component which provides a significant financing benefit to us, revenue recognized under that contract includes the interest expense accreted on the contract liability under the effective interest method. We take advantage of the practical expedience permitted under paragraph 63 of IFRS 15 and do not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of our revenue recognition policy regarding operating revenue and other income are as follows:

Revenue from operation of online marketplaces

Our revenue generated from operation of online marketplaces is derived from facilitating transactions of goods on its E-commerce platform, Yangxiaomie and matching automobile retailers and merchants of local lifestyle goods and services with end customers that meet the their target customer criteria to promote conversion of online traffic to offline store visits and purchases eventually on its online marketplace, Consumption Guide.

Revenue from Yangxiaomie

During the Track Record Period, we derived revenue from Yangxiaomie. We recognize revenue from the sale of goods at a point in time when the status of relevant purchase orders is presented as completed or when there is no unfulfilled obligation that affect the end customer’s acceptance of the products. The transaction price received by us is recognized as a contract liability until all revenue recognition criteria are met.

Under IFRS 15 *Revenue from Contracts with Customers*, for revenue from the sale of goods and the related costs, we need to evaluate whether it is appropriate to recognize these amounts in the gross amount or as a commission or fee equal to the net amount of consideration retained by us. If we are a principal that controls the goods or service before it is transferred to a customer, we recognize revenue equal to the gross amount of consideration to which we expect to be entitled in exchange for the specified goods or service transferred. If we are an agent that is primarily responsible for assisting another party with providing the specified goods or service we recognize revenue in an amount equal to the fee or commission to which we expect to be entitled. The fee or commission is the net amount of consideration that we retain after paying the other party the consideration, or the previously established amount or proportion of the amount. The following conditions indicate that an entity

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controls the goods before it is transferred to a customer: the entity is primarily responsible for fulfilling the promise to provide the goods to the end customer; the entity has inventory risk; and the entity has discretion in establishing the price for the specified goods.

We provide a wide range of products through our online marketplaces and our process of facilitating transactions are described as below: i) we enter into supplying framework agreements with business partners; ii) we have discretion in establishing the price for the goods based on the pricing range agreed in relevant supplying framework agreements; iii) these business partners directly deliver to the end customers the goods based on the purchase order information generated from our online marketplaces and we do not take any inventory risk legally; and iv) as for post-sale services, these business partners are fully responsible for dealing with the customers who submit the post-sale service request through our online marketplaces. We report the amount received from the end customers and the amounts paid to these business partners related to these transactions on a net basis as we are not primarily obligated in a transaction, do not bear the inventory risk and do not control the goods before they are transferred to the end customers, acting as an agent.

In the second quarter of 2024, we started charging fees from POP store operators (POP Store A since May 2024) for goods transactions completed on Yangxiaomie. Online platform service fees charged to the POP store operators (POP Store A since May 2024), primarily determined as a percentage based on the value of merchandise sold by the POP store operators (POP Store A since May 2024), are recognized as commission upon the completion of the underlying goods provided by the POP store operators (POP Store A since May 2024) to the end customers.

Revenue from Consumption Guide

In the second quarter of 2022, we started operating Consumption Guide, allowing end customers to access their desired apps based on their physical location. These proprietary local consumption apps facilitate transactions for goods and services for automobile retailers and merchants of local lifestyle, including distributing consumption coupons or government discount coupons that can be used on these apps and through offline channels.

Commission fees charged to the automobile retailers and merchants of local lifestyle goods and services, primarily determined as a percentage of respectively relevant transaction value of the goods and/or services, are recognized as commission revenue upon the completion of the underlying goods or services provided to the end customers.

We typically offer automobile retailers and merchants of local lifestyle goods and services fund rebates when their sales to end customers reach an agreed threshold. The incentives provided to them are recorded as a reduction of revenue if there is no exchange of distinct goods or services to us or the fair value of the goods or services received cannot be reasonably estimated. A refund liability is recognized for the expected rebates and is included in accruals expenses and other current liabilities.

Revenue from Other Businesses

Advertisement Placement

We also provide advertisement placement services for our customers (a) online through Consumption Guide and (b) offline. Since the second quarter of 2022, we provided advertisement placement service primarily to automobile retailers and merchants of local lifestyle goods and services in our online marketplaces, Consumption Guide. Revenue from advertisement placement services is recognized on a straight-line basis over the contractual

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service period. Revenue is recorded on a gross basis as we are the principal to the merchants in the respective arrangements. In general, the automobile retailers and merchants of local lifestyle goods and services are required to make advance payments for all the advertisement placement services which is primarily recorded in “Contract liabilities”.

Revenue from financial institution

During the Track Record Period, we entered service contracts with financial institutions, to provide matching services for them. We referred potential end borrowers with needs for purchasing credits and/or consumer loans to match them with financial institutions based on relevant service contracts.

Revenue arising from provision of matching services for financial institutions is satisfied over time in accordance with paragraph 35(a) of IFRS 15 because the customers simultaneously received and consumed the benefits of our performance in referring each potential end borrower as and when each potential end borrower is referred. Also, the fact that another entity would not need to re-perform the relevant services completed by us for the service that we have provided to date also demonstrates that the customers simultaneously received and consumed the benefits of our performance as we performed. To measure our performance over time, the output method is utilized to measure the value to the customers based on the transfer to date of the services promised, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognised when the service is provided and billed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognised utilising the right to invoice expedient resulting in revenue being recognised when the service is provided and billed. Additionally, contracts with a defined price but an undefined quantity that utilise tier pricing would be defined as a series of distinct performance obligations satisfied over time utilising the same method of measurement, the output method, with no rights of return once consumed.

Property, Plant and Equipment and Right-of-use Assets

Property, plant and equipment and right-of-use assets are stated at cost less accumulated depreciation and impairment losses.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives are as follows:

— Right-of-use assets	Over the lease term
— Office equipment	3 - 5 years
— Electronic equipment	3 - 5 years
— Leasehold improvements	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Financial Instruments with Preferred Rights

On May 9, 2022, our Company, certain members of our Group and each of our Company’s shareholders have entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”, see “History, Reorganization and

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Corporate Structure — No [REDACTED] Investment” for details), which contained an obligation by our Company to [REDACTED] our Company’s equity instruments for cash or another financial asset subject to certain conditions. Certain shareholders had the right (the “**Preference Investors**”) to require our Group to redeem all of the investments held by our Preference Investors or to liquidate preferentially at a predetermined amount upon certain redemption or liquidation events, which are not all within the control of our Group.

Our Group’s contractual obligation to deliver cash or other financial assets to the Preference Investors upon events that are beyond the control of our Group gives rise to a financial liability.

The financial liabilities are measured at the present value of the redemption amount. Any changes in the carrying amount of the financial liabilities are recorded in profit or loss as “changes in the carrying amounts of financial instruments with preferred rights”.

Share-based Payment

Share-based compensation is classified as either equity-settled share-based compensation or cash-settled share-based compensation. The term “equity-settled share-based compensation” refers to a transaction in which the Group grants share options or restricted share units (“**RSUs**”) (collectively the “equity instruments”) as consideration in return for services rendered or a transaction in which the Group has no obligation to settle the share-based compensation, or the awards granted are self-owned equity instruments of its shareholder.

The fair value of the equity instruments granted to employees is recognized as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial option-pricing model, taking into account the terms and conditions upon which the equity instruments were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the equity instruments, the total estimated fair value of the equity instruments is spread over the vesting period, taking into account the probability that the equity instruments will vest.

During the vesting period, the number of equity instruments that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of equity instruments that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the shares. The equity amount is recognized in the capital reserve until either the option is exercised (when it is included in the amount recognized in share capital and share premium for the shares issued) or the option expires (when it is released directly to retained profits).

Accounting Judgment and Estimates

Fair value of share-based compensation payments

We have used binomial option-pricing model to determine the total fair value of the options granted to employees, which is to be expensed over the vesting period. Significant estimate on assumptions, such as the underlying equity value, risk-free interest rate, expected volatility and dividend yield, is required to be made by us in applying the binomial option-pricing model.

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Impairment of trade receivables

The credit losses for trade receivables are based on assumptions about the expected loss rates. We use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on our past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and we may make additional loss allowances in future periods.

RESULTS OF OPERATIONS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statement of profit or loss and other comprehensive income with line items in absolute amounts and as percentages of our revenue for the periods indicated:

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Revenue	475,285	529,669	993,029	299,851	414,140
Cost of sales	(162,528)	(162,014)	(31,138)	(11,085)	(13,794)
Gross profit	312,757	367,655	961,891	288,766	400,346
Other income or loss, net	3,315	4,517	7,285	152	264
Research and development expenses	(60,691)	(46,916)	(37,423)	(14,780)	(21,859)
General and administrative expenses	(115,053)	(68,034)	(114,572)	(48,285)	(48,573)
Sales and marketing expenses	(47,921)	(109,447)	(470,348)	(111,358)	(97,365)
Impairment (loss)/gain on financial assets	(9,436)	(2,635)	5,280	(3,731)	(1,722)
Profit from operations	82,971	145,140	352,113	110,764	231,091
Net finance cost	(46)	(814)	(1,573)	(732)	(625)
Changes in the carrying amount of financial instruments with preferred rights	(84,083)	(141,561)	(155,718)	(63,084)	(69,392)
Changes in fair value of financial assets measured at fair value through profit or loss	(123)	(13)	—	—	—
(Loss)/profit before taxation	(1,281)	2,752	194,822	46,948	161,074
Income tax credit/(expense)	998	891	(47,694)	(12,257)	(35,443)
(Loss)/profit for the year/period	(283)	3,643	147,128	34,691	125,631
<i>(Loss)/profit for the year/period attributable to:</i>					
<i>Equity shareholders of the Company</i>	<i>(281)</i>	<i>3,643</i>	<i>147,128</i>	<i>34,691</i>	<i>125,631</i>
<i>Non-controlling interests</i>	<i>(2)</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items.

We believe these measures provide useful information to [REDACTED] and others in understanding and evaluating our consolidated statement of profit or loss in the same manner as they help our management. However, our presentation of adjusted profit (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be

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comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitutes for an analysis of, our consolidated statement of profit or loss or financial condition as reported under IFRS Accounting Standards.

We define adjusted profit (non-IFRS measure) as (loss)/profit for the year/period, excluding share-based compensation, changes in the carrying amount of financial instruments with preferred rights and [REDACTED]. We define adjusted EBITDA (non-IFRS measure) as EBITDA excluding share-based compensation, changes in the carrying amount of financial instruments with preferred rights and [REDACTED].

The following table reconciles our adjusted profit (non-IFRS measure) for the periods and adjusted EBITDA (non-IFRS measure) presented in accordance with IFRS Accounting Standards, which is (loss)/profit for the periods:

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Reconciliation of (loss)/profit to adjusted profit for the year/period (non-IFRS measure)					
(Loss)/profit for the year/period	(283)	3,643	147,128	34,691	125,631
<i>Add:</i>					
Share-based compensation ⁽¹⁾	15,823	(7,282)	36,948	17,343	11,124
Changes in the carrying amount of financial instruments with preferred rights ⁽²⁾	84,083	141,561	155,718	63,084	69,392
[REDACTED]	26,669	9,640	23,467	8,687	5,404
Adjusted profit for the year/period (non-IFRS measure)	126,292	147,562	363,261	123,805	211,511

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Reconciliation of (loss)/profit to EBITDA and adjusted EBITDA for the year/period (non-IFRS measure):					
(Loss)/profit for the year/period	(283)	3,643	147,128	34,691	125,631
<i>Add:</i>					
Net finance costs	46	814	1,573	732	625
Income tax (credit)/expense	(998)	(891)	47,694	12,257	35,443
Depreciation	11,944	7,543	5,088	2,139	1,974
Amortization	155	230	305	118	132
EBITDA (non-IFRS measure)	10,864	11,339	201,788	49,937	163,805
<i>Add:</i>					
Share-based compensation ⁽¹⁾	15,823	(7,282)	36,948	17,343	11,124
Changes in the carrying amount of financial instruments with preferred rights ⁽²⁾	84,083	141,561	155,718	63,084	69,392
[REDACTED]	26,669	9,640	23,467	8,687	5,404
Adjusted EBITDA (non-IFRS measure)	137,439	155,258	417,921	139,051	249,725

Notes:

- (1) Share-based compensation relates to the share options that we have granted under our share incentive plan, which is a non-cash expense.
- (2) As disclosed in Note 24 in the Accountants' Report in Appendix I to this document, the Group recognized the financial liabilities arising from the redemption obligations at present value of redemption amount, with changes in such carrying amounts being booked in profit or loss, based on the shareholders' agreement entered into among the Company, certain members of the Group and each of the Company's shareholders in May 2022. When the preferential rights are automatically terminated upon the [REDACTED], the carrying amount of the

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financial liabilities then will be reclassified from current liabilities to other reserve with no further gain or loss. Furthermore, changes in carrying amount of financial instruments with preferred rights are non-cash in nature.

(3) [REDACTED] relate to expenses incurred for this [REDACTED] of the Company.

Our adjusted profit for the year (non-IFRS measure) increased from RMB126.3 million in 2022 to RMB147.6 million in 2023, mainly due to (i) an increase in revenue as a result of an increase in revenue derived from matching services for financial institutions due to increases in both average monthly paying users and annual transaction value, partially offset by a decrease in revenue derived from Yangxiaomie, (ii) a decrease in research and development expenses of RMB13.8 million as compared to 2022, (iii) a decrease in impairment loss on financial assets of RMB6.8 million (iv) a decrease in salaries and benefits and depreciation and amortization expense in general and administrative expenses of RMB8.8 million, partially offset by (v) an increase in sales and marketing expenses of RMB61.5 million. Our adjusted profit for the period (non-IFRS measure) increased from RMB147.6 million in 2023 to RMB363.3 million in 2024, mainly due to (i) a substantial increase in our overall revenue as a result of an increase in revenue derived from Yangxiaomie primarily driven by an increase in the aggregate goods transaction value we facilitated, partially offset by a decrease in revenue derived from Consumption Guide and matching services for financial institutions, (ii) a decrease in cost of sales of RMB130.9 million as compared to 2023, partially offset by (iii) an increase in sales and marketing expenses of RMB360.9 million, (iv) an increase in general and administrative expenses of RMB46.6 million, and (v) an increase in income tax expense in 2024 as compared to income tax credit in 2023. Our adjusted profit for the period (non-IFRS measure) increased from RMB123.8 million for the five months ended May 31, 2024 to RMB211.6 million for the five months ended May 31, 2025, mainly due to a significant increase in profit for the five months ended May 31, 2025 compared to the same period in 2024, primarily attributable to a substantial increase in revenue generated from Yangxiaomie. See “Financial Information — Review of Historical Results of Operations” for details.

KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Our Company

Revenue

During the Track Record Period, our revenue was primarily generated from the operation of online marketplaces and, and to a smaller extent, from other businesses including advertisement placement and provision of matching services to financial institutions. The following table sets forth the breakdown of revenue generated under different revenue streams for the periods indicated:

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Operation of Online Marketplaces	412,057	86.7	411,532	77.7	957,937	96.5	267,385	89.2	414,017	100.0
Revenue from Yangxiaomie	206,222	43.4	200,451	37.8	925,124	93.2	253,500	84.6	406,100	98.1
Revenue from on Consumption Guide										
.....	205,835	43.3	211,081	39.9	32,813	3.3	13,885	4.6	7,917	1.9
Other Businesses	63,228	13.3	118,137	22.3	35,092	3.5	32,466	10.8	123	0.0
Advertisement Placement	7,166	1.5	10,952	2.1	3,048	0.3	2,240	0.7	123	0.0
Revenue from Financial Institutions . .	56,062	11.8	107,185	20.2	32,044	3.2	30,226	10.1	—	—

Leveraging our full-suite business model, we have been continuously connecting business partners from different industry verticals to provide goods and services to end customers, which has formed a value chain.

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The following table sets forth the breakdown of revenue generated from matching services for marketplace suppliers by types of products sold on Yangxiaomie for the periods indicated:

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
Electronic products	142,507	69.1	142,245	71.0	624,376	67.5	196,093	77.4	219,586	54.1
Jewelry and accessories	34,238	16.6	35,296	17.6	288,161	31.1	50,353	19.9	185,900	45.8
Skincare products	11,747	5.7	10,915	5.4	3,285	0.4	3,458	1.4	7	0.0
Food, beverage and wellness products	11,269	5.5	5,169	2.6	1,531	0.2	1,467	0.6	118	0.0
Lifestyle products	6,461	3.1	6,826	3.4	7,771	0.8	2,129	0.7	489	0.1
Total	206,222	100.0	200,451	100.0	925,124	100.0	253,500	100.0	406,100	100.0

Our revenue from Yangxiaomie slightly decreased from RMB206.2 million in 2022 to RMB200.5 million in 2023, primarily due to a decrease in the aggregate goods transaction value we facilitated in 2023, as a result of a decrease in the average monthly paying users despite an increase in the average order value in the same period. Our revenue derived from Yangxiaomie increased from RMB200.5 million in 2023 to RMB925.1 million in 2024, primarily driven by an increase in the aggregate goods transaction value we facilitated. We attribute this increase to the strategic advertising and marketing initiatives for Yangxiaomie beginning in the third quarter of 2023 across various Internet platforms for traffic acquisition, specifically advertising on new media platforms, which had a delayed impact on our revenue from Yangxiaomie, and our continuing investment in Yangxiaomie in 2024. Our revenue derived from Yangxiaomie increased from RMB253.5 million for the five months ended May 31, 2024 to RMB406.1 million for the five months ended May 31, 2025, primarily due to the successful advertising and marketing campaign for Yangxiaomie, the benefits of which have continued into 2025, resulting in a substantial increase in transaction volume for the five months ended May 31, 2025. Additionally, the positive effect of onboarding of Pop Store A in 2024 has extended into this year. For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, the aggregate goods transaction value facilitated by us was RMB2,006.2 million, RMB1,957.8 million, RMB7,028.3 million and, RMB1,727.8 million RMB4,571.0 million, respectively.

Cost of Sales

Our cost of sales primarily consists of (i) Internet operation cost, being the cost of sales relating to revenue derived from the operation of Consumption Guide, which primarily consists of (a) the portion of revenue we shared with Weidaoyun as we recognized a percentage of the transaction value on Consumption Guide facilitated by Weidaoyun as revenue and shared a percentage (varying from 50% to 70%) of such revenue with Weidaoyun prior to January 1, 2024 and the service fees of 20% of our revenue generated through Consumption Guide from January 1, 2024 (See “Business — Our Online Marketplaces — Consumption Guide (消費地圖) — Marketing Activities of Consumption Guide — Weidaoyun as our marketing partner” for details) and (b) marketing cost for Consumption Guide’s offline and online marketing activities for promotional purposes, (ii) salaries and benefits for our business and operations staff, (iii) data service cost in relation to our matching for information verification to support matching services for our financial institution clients, see “Business — Our Online Marketplaces — Yangxiaomie (羊小咩)” for details, (iv) technology and outsourcing service cost, primarily in relation to the cost of technology systems integration and operational services provided by third party suppliers, (v) cloud services cost, (vi) telecommunication cost relating to the text messages sent to end customers, (vii) share-based compensation for our business and operation staff and (viii) others.

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

	For the Year Ended December 31,						For the Five Months Ended May 31,					
	2022		2023		2024		2024		2025			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%		
Internet operation cost	119,341	73.4	138,430	85.4	6,798	21.8	2,992	27.0	1,597	11.6		
Salaries and benefits	27,349	16.8	15,415	9.5	10,309	33.1	3,603	32.5	6,677	48.4		
Technology and outsourcing service cost	4,045	2.5	1,127	0.7	5,291	17.0	1,217	11.0	2,498	18.1		
Cloud services cost	9,326	5.7	5,548	3.4	4,329	13.9	1,745	15.7	2,041	14.8		
Telecommunication cost	1,301	0.8	2,293	1.4	1,766	5.7	815	7.4	175	1.3		
Share-based compensation	163	0.1	(1,603) ⁽¹⁾	(1.0) ⁽¹⁾	2,587	8.3	713	6.4	806	5.8		
Others	1,003	0.7	804	0.5	58	0.2	—	—	—	—		
Total	162,528	100.0	162,014	100.0	31,138	100.0	11,085	100.0	13,794	100.0		

Note:

- (1) We recorded reversal of share-based compensation expenses in the period due to the forfeiture of RSUs previously granted to employees who have left our Company.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, our gross profit was RMB312.8 million, RMB367.7 million, RMB961.9 million, RMB288.8 million and RMB400.3 million, respectively, and our gross profit margin was 65.8%, 69.4%, 96.9%, 96.3% and 96.7%, respectively. Our gross profit margin increased from 65.8% in 2022 to 69.4% in 2023, primarily because due to the stabilization of the cost of sales related to revenue derived from the operation of Consumption Guide as it continued to mature. Our gross profit margin increased from 69.4% in 2023 to 96.9% in 2024, primarily due to (i) an increase in our total revenue, particularly driven by the growth of the matching services for merchandise suppliers on Yangxiaomie and (ii) a decrease in cost of sales, mainly driven by the decrease in Internet operation cost. Our gross profit margin remained relatively stable at 96.3% and 96.7% for the five months ended May 31, 2024 and 2025, respectively.

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For the Year Ended December 31,						For the Five Months Ended May 31,			
2022		2023		2024		2024		2025	
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)									

Marketplaces

Other Businesses

Advertisement											
Placement	6,714	93.7	10,594	96.7	3,039	99.7	2,236	99.8	123	100.0	
Providing Matching											
Services for											
Financial											
Institutions	51,084	91.1	103,815	96.9	31,793	99.2	30,019	99.3	—	N/A ²	

- (1) During the Track Record Period, the fluctuations in the gross profit margin of Consumption Guide was primarily due to the fluctuations of Internet operation cost, which mainly represent the service fee we paid to Weidaoyun. See section headed “Business — Our Online Marketplaces — Consumption Guide (消費地圖) — Marketing Activities of Consumption Guide through Cooperation with Weidaoyun” for more details.
- (2) As of September 12, 2024, we have ceased all then existing agreements with the financial institutions in connection with matching service and since then no longer generate any revenue thereunder. see “Business — Other Businesses — Historical matching services for financial institutions” for details

Our other income or loss, net primarily consists of (i) gain on debt restructuring, which is one-off in nature, attributable to the settlement we reached in May 2023 with a service supplier of Liangzi Data which resulted in a discount on overdue service payments, thereby offsetting the outstanding trade payables balance, (ii) gain on compensations in connection with the recovery of prepayment for acquisition of office premises we received in 2023, as a result of the termination of the property purchase agreement we entered into with Hainan Zimu, (iii) dividend income from financial assets at fair value through other comprehensive income relating to equity investments, (iv) gains on disposal of a subsidiary, Fujian Xiapu Zhongying Financing Guarantee Co. Ltd.* (福建省霞浦中盈融資擔保有限公司) (“**Xiapu Zhongying**”), of RMB4.0 million due to disposal of interests in Xiapu Zhongying in December 2020 as part of actualizing our business model and its loss-making business and operations and gain on disposal of equity interest in Hainan Liangdian Technology Company Limited* (海南量點科技有限公司) of RMB0.4 million in April 2022, (v) extra deduction of input value-added tax and (vi) others, including government grants and trade payables that could not be paid due to deregistration of receiving parties, (vii) donation we made to a museum in Singapore in 2025, and (viii) gain on legal settlement pursuant to a lawsuit against one of our Group’s customers. For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, our other income or loss, net was RMB3.3 million, RMB4.5 million, RMB7.3 million, RMB152.0 thousand and RMB264.0 thousand, respectively.

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The following table sets forth a breakdown of our Other income or loss, net, by amount and as a percentage of our total other income or loss, net, for the periods indicated:

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
Other income or loss, net										
Dividend income from financial assets at fair value through other comprehensive income	2,657	80.2	—	—	—	—	—	—	—	—
Gains on disposal of a subsidiary	438	13.2	—	—	—	—	—	—	—	—
Extra deduction of input value-added tax	298	9.0	69	1.5	—	—	—	—	—	—
Trade receivables extension fee ⁽¹⁾	—	—	—	—	7,102	97.5	—	—	—	—
Gains on derecognition of long-term payables	—	—	176	3.9	29	0.4	—	—	24	9.1
Exchange gain	—	—	6	0.1	(51)	(0.7)	3	2.0	(247)	(93.6)
Gain on compensations	—	—	1,450	32.1	—	—	—	—	—	—
Gain on debt restructuring	—	—	2,617	57.9	—	—	—	—	—	—
Donation	—	—	—	—	—	—	—	—	(813)	(308.0)
Gain on legal settlement	—	—	—	—	—	—	—	—	1,251	473.9
Others	(78)	(2.4)	199	4.4	205	2.8	149	98.0	49	18.6
Total	3,315	100.0	4,517	100.0	7,285	100.0	152	100.0	264	100.0

Note:

(1) Since July 2024, we levied a trade receivables extension fee (“**TR Extension Fee**”) as compensations for the extension beyond the grace period in settling outstanding trade receivables. See “— Certain Components of Our Consolidated Statements of Financial Position — Trade Receivables” and Note 5 in the Accountants’ Report in Appendix I to this document for details.

Research and Development Expenses

Our research and development expenses primarily comprise (i) salaries and benefits incurred for our R&D employees, (ii) research and development services expenses in relation to intellectual property applications and software updates, (iii) depreciation and amortization expenses of our R&D facilities, (iv) share-based compensation for our R&D employees and (v) others.

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

	For the Year Ended December 31,						For the Five Months Ended May 31,					
	2022		2023		2024		2024		2025			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%		
Research and development expenses												
Salaries and benefits	57,506	94.8	46,920	100.0	32,388	86.6	12,648	85.6	19,437	89.0		
Research and development service expenses	1,121	1.8	239	0.5	199	0.5	18	0.1	40	0.2		
Depreciation and amortization expenses	317	0.5	309	0.7	206	0.6	115	0.8	8	0.0		
Share-based compensation	1,629	2.7	(602) ⁽¹⁾	(1.3) ⁽¹⁾	4,618	12.3	1,995	13.5	2,369	10.8		
Others	118	0.2	50	0.1	12	0.0	4	0.0	5	0.0		
Total	60,691	100.0	46,916	100.0	37,423	100.0	14,780	100.0	21,859	100.0		

Note:

(1) We recorded reversal of share-based compensation expenses in the period due to the forfeiture of RSUs previously granted to employees who have left our Company.

General and Administrative Expenses

Our general and administrative expenses primarily consist of (i) salaries and benefits for administrative employees, (ii) depreciation and amortization expenses, (iii) consulting service expense (such as non-listing related consulting fees paid to professional agencies for our business strategies consulting services, marketing consulting services, network technology services) relating to legal and professional services for the group restructuring and business development, (iv) rental expenses, (v) taxes, (vi) [REDACTED], (vii) share-based compensation for administrative employees and (viii) others such as expenses for office facilities and business travel reimbursement.

The following table sets forth a breakdown of our general and administrative expenses, by amount and as a percentage of our total general and administrative expenses, for the periods indicated:

	For the Year Ended December 31,						For the Five Months Ended May 31,					
	2022		2023		2024		2024		2025			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%		
General and administrative expenses												
Salaries and benefits	40,856	35.5	37,314	54.8	32,420	28.3	14,381	29.9	20,392	42.1		
Depreciation and amortization expense	12,424	10.8	7,121	10.5	4,415	3.9	2,193	4.5	2,109	4.3		
Consulting service expense	6,186	5.4	9,086	13.4	7,357	6.4	3,882	8.0	3,307	6.8		
Rental expenses	818	0.7	1,023	1.5	674	0.6	262	0.5	409	0.8		
Taxes	4,130	3.6	2,993	4.4	11,792	10.3	2,671	5.5	5,268	10.8		
[REDACTED]	26,669	23.2	9,640	14.2	23,467	20.5	8,687	18.0	5,404	11.1		
Share-based compensation	14,031	12.2	(5,078) ⁽¹⁾	(7.5) ⁽¹⁾	29,038	25.3	14,458	29.9	7,795	16.0		
Others	9,939	8.6	5,935	8.7	5,409	4.7	1,751	3.7	3,889	8.1		
Total	115,053	100.0	68,034	100.0	114,572	100.0	48,285	100.0	48,573	100.0		

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Note:

- (1) We recorded reversal of share-based compensation expenses in 2023 due to the forfeiture of RSUs previously granted to employees who have left our Company.

Sales and Marketing Expenses

Our sales and marketing expenses primarily consist of (i) Internet advertising and promotion expenses that we incur with suppliers who help us drive online traffic from various online platforms to us through API (for further details, see “Business — Top Customers and Suppliers — Top Suppliers — Our Relationship with Suppliers of Internet Advertising and Promotion Services”), (ii) marketing expenses in relation to business development activities, (iii) salaries and benefits for the marketing (iv) share-based compensation for our sales and marketing employees and sales employees and (v) others.

The following table sets forth a breakdown of our sales and marketing expenses, by amount and as a percentage of our total sales and marketing expenses, for the periods indicated:

	For the Year Ended December 31,						For the Five Months Ended May 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
Sales and marketing expenses										
Internet advertising and promotion expenses	—	—	17,879	16.3	10,532	2.3	9,994	9.0	—	—
Marketing expenses	39,150	81.7	85,074	77.7	455,041	96.8	99,278	89.1	96,200	98.8
Salaries and benefits	8,169	17.0	5,905	5.4	3,983	0.8	1,865	1.7	966	1.0
Share-based compensation	—	—	—	—	705	0.1	177	0.2	154	0.2
Others	602	1.3	589	0.5	88	0.0	44	0.0	45	0.0
Total	47,921	100.0	109,447	100.0	470,348	100.0	111,358	100.0	97,365	100.0

Impairment (Loss)/Gain on Financial Assets

Our impairment (loss)/gain on financial assets primarily consist of impairment on other receivables and trade receivables. For the years ended December 31, 2022 and 2023, our impairment loss on financial assets were RMB9.4 million and RMB2.6 million, respectively. For the year ended December 31, 2024, our impairment gain on financial assets was RMB5.3 million. For the five months ended May 31, 2024 and 2025, our impairment loss on financial assets were RMB3.7 million and RMB1.7 million, respectively. The impairment loss on financial assets for the years ended December 31, 2022 and 2023 was primarily attributable to the impairment losses we recorded for our trade receivables and other receivables. The impairment gain on financial assets for the year ended December 31, 2024 was primarily attributable to the impairment gains we recorded for our trade receivables. The impairment loss on financial assets for the five months ended May 31, 2025 was primarily attributable to the provision we made for the expected credit loss on our trade receivables.

Net Finance Costs

Our net finance costs primarily consist of (i) interest expense on lease liabilities, (ii) interest income from bank deposits and (iii) interest income from loans receivable. For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2024 and 2025, our net finance costs were RMB46.0 thousand, RMB0.8 million, RMB1.6 million, RMB0.7 million and RMB0.6 million, respectively.

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Changes in Carrying Amount of Financial Instruments with Preferred Rights

Our changes in carrying amount of financial instruments with preferred rights primarily related to recognition of financial liabilities arising from the Company’s obligation to buy back certain shareholders’ investments upon the occurrence of any specified contingent redemption events which are not within the Company or the Group’s control based on the shareholders’ agreement entered into among the Company, certain members of the Group and each of the Company’s shareholders in May 2022. Our changes in carrying amount of financial instruments with preferred rights was RMB84.1 million for the year ended December 31, 2022. Our changes in the carrying amount of financial instruments with preferred rights was RMB141.6 million for the year ended December 31, 2023. Our changes in carrying amount of financial instruments with preferred rights was RMB155.7 million for the year ended December 31, 2024. Our changes in carrying amount of financial instruments with preferred rights were RMB63.1 million and RMB69.4 million for the five months ended May 31, 2024 and 2025, respectively.

Changes in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss

Our changes in fair value of financial assets measured at fair value through profit or loss primarily relate to the fluctuation in fair value of our minority equity investments in Company SZT, which we made to enhance our matching capabilities. For the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2024 and 2025, our changes in fair value of financial assets measured at fair value through profit or loss were RMB0.1 million, RMB13.0 thousand, nil, nil and nil, respectively.

After the [REDACTED], any investments we make in wealth management products will be strictly in accordance with our internal policies and the requirements under Chapter 14 of the Listing Rules.

Income Tax Credit/(Expense)

Our income tax expense primarily consist of current income tax and deferred tax in the PRC. For the years ended December 31, 2022 and 2023, we recorded income tax credit of RMB1.0 million and RMB0.9 million, respectively. For the year ended December 31, 2024 and for the five months ended May 31, 2024 and 2025, we recorded income tax expense of RMB47.7 million, RMB12.3 million and RMB35.4 million, respectively.

The following summarizes certain tax laws and regulations applicable to us in the Cayman Islands, Hong Kong SAR and PRC.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on either income or capital gain, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong SAR

The Company’s Hong Kong SAR subsidiary was incorporated in April 2022, is subject to a profits tax rate of 8.25% for the first HKD2,000,000 of assessable profit and 16.5% for profit exceeding HKD2,000,000. No provision for Hong Kong SAR profits tax was made as the Group had no estimated assessable profit that was subject to Hong Kong SAR profits tax.

PRC

The Company’s subsidiaries established in the PRC are subject to an income tax rate of 25%, according to the Income Tax Law of the PRC during the Track Record Period. For the years ended December 31, 2022, 2023,

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and 2024 and the five months ended May 31, 2025, the Company has deducted RMB11.7 million, RMB11.7 million, RMB8.5 million and RMB4.9 million of its research and development expenses as super-deduction, respectively. For details of the super-deduction, please see Note 7(b) to the Accountants’ Report set out in Appendix I to this document.

See Note 7 of the Accountants’ Report set out in Appendix I to this document for further details on applicable tax rate we received during the Track Record Period.

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

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

Five Months Ended May 31, 2025 Compared to Five Months Ended May 31, 2024

Revenue

Our total revenue increased by RMB114.2 million, or 38.1%, from RMB299.9 million for the five months ended May 31, 2024 to RMB414.1 million for the five months ended May 31, 2025, primarily due to a significant increase in revenue from Yangxiaomie of RMB152.6 million, partially offset by (i) a decrease in revenue from Consumption Guide of RMB6.0 million; and (ii) a significant decrease in revenue from matching services for financial institutions of RMB30.2 million.

Our revenue derived from operation of online marketplaces increased by 54.8% from RMB267.4 million for the five months ended May 31, 2024 to RMB414.0 million for the five months ended May 31, 2025, resulting from the following factors:

- Our revenue derived from Yangxiaomie increased by 60.2% from RMB253.5 million for the five months ended May 31, 2024 to RMB406.1 million for the five months ended May 31, 2025, primarily driven by the successful advertising and marketing campaign for Yangxiaomie, the benefits of which have continued into 2025, resulting in a substantial increase in transaction volume for the five months ended May 31, 2025. Additionally, the positive effect of onboarding of Pop Store A in 2024 has extended into this year.
- Our revenue derived from Consumption Guide decreased by 43.2% from RMB13.9 million for the five months ended May 31, 2024 to RMB7.9 million for the five months ended May 31, 2025. This decrease was primarily because (i) our strategic transformation of Consumption Guide in 2024 to target 4S automobile retail merchants resulted in a decrease in service fees generated, as the transformation is still being tested and gradually accepted by the market; and (ii) the government’s decision not to distribute discount coupons during the five months ended May 31, 2025, resulted in a decrease in automobile purchases and online traffic for Consumption Guide.
- Our revenue derived from advertisement placement services decreased by 95.5% from RMB2.2 million for the five months ended May 31, 2024 to RMB0.1 million for the five months ended May 31, 2025, primarily due to the continuing reduction in demand for online advertisement placement services by marketplace suppliers from various sectors, following the Consumption Guide’s transformation in 2024 to focus on our partnership with Auto Partner A.
- Our revenue derived from matching services for financial institutions decreased by 100% from RMB30.2 million for the five months ended May 31, 2024 to nil for the five months ended May 31, 2025. The decrease was primarily due to the cessation of matching services for financial institutions in July 2024, as our group strategically decided to shift its focus more toward Yangxiaomie, driven by a higher profit margin.

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Cost of Sales

Our total cost of sales increased by RMB2.7 million, or 24.3%, from RMB11.1 million for the five months ended May 31, 2024 to RMB13.8 million for the five months ended May 31, 2025, primarily due to (i) an increase in salaries and benefits attributable to the expansion of Yangxiaomie, which required the recruitment of additional staff; and (ii) an increase in technology and outsourcing service cost due to the change of settlement method, partially offset by the decrease in telecommunication costs due to the cessation of matching services for financial institutions in July 2024 which reduced the need for SMS services.

Gross Profit and Gross Profit Margins

Our gross profit increased by RMB111.5 million, or 38.6%, from RMB288.8 million for the five months ended May 31, 2024 to RMB400.3 million for the five months ended May 31, 2025. Our gross profit margin remained relatively stable at 96.3% and 96.7% for the five months ended May 31, 2024 and 2025, respectively.

Other income or loss, net

Our other income or loss, net increased by RMB112.0 thousand or 73.7%, from RMB152.0 thousand for the five months ended May 31, 2024 to RMB264.0 thousand for the five months ended May 31, 2025, primarily due to the gain on a legal settlement received pursuant to a lawsuit against one of our Group’s customers, partially offset by a donation made by our Group to a museum in Singapore.

Research and Development Expenses

Our research and development expenses increased by RMB7.1 million, or 48.0%, from RMB14.8 million for the five months ended May 31, 2024 to RMB21.9 million for the five months ended May 31, 2025, primarily due to an increase in salaries and benefits resulted from the recruitment of additional staff in the research and development department to meet the research needs of the expanding business.

General and Administrative Expenses

Our general and administrative expenses remained relatively stable at RMB48.3 million and RMB48.6 million for the five months ended May 31, 2024 and 2025, respectively.

Sales and Marketing Expenses

Our sales and marketing expenses decreased by RMB14.0 million, or 12.6%, from RMB111.4 million for the five months ended May 31, 2024 to RMB97.4 million for the five months ended May 31, 2025, primarily due to (i) a decrease in internet advertising and promotion expenses due to the cessation of the matching services for financial institutions in July 2024; and (ii) a decrease in marketing expenses as the our Group reduced the scale of marketing and promotional operations due to the poor performance returns of the marketing campaign during fall 2024.

Impairment (Loss)/Gain on Financial Assets

Our impairment loss on financial assets decreased by RMB2.0 million, or 54.1%, from RMB3.7 million for the five months ended May 31, 2024, to RMB1.7 million for the five months ended May 31, 2025, primarily due to a decrease in the expected credit loss on trade receivables, which was in line with the decrease in trade receivables in same period.

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Net Finance Costs

Our net finance remained relatively stable at RMB0.7 million and RMB0.6 million for the five months ended May 31, 2024 and 2025, respectively.

Changes in Carrying Amount of Financial Instruments with Preferred Rights

Our changes in carrying amount of financial instruments with preferred rights primarily related to recognition of financial liabilities arising from our Company’s obligation to buy back certain shareholders’ investments upon the occurrence of any specified contingent redemption events which are not within our Company or our Group’s control based on the shareholders’ agreement entered into among our Company, certain members of our Group and each of our Company’s shareholders in May 2022. Our changes in carrying amount of financial instruments with preferred rights increased by RMB6.3 million, or 10.0%, from RMB63.1 million for the five months ended May 31, 2024 to RMB69.4 million for the five months ended May 31, 2025.

Changes in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss

Our changes in fair value of financial assets measured at fair value through profit or loss remained at nil and nil for the five months ended May 31, 2024 and 2025, respectively.

Income Tax Credit/(Expense)

Our income tax expense increased by RMB23.1 million, or 187.8% from RMB12.3 million for the five months ended May 31, 2024 to RMB35.4 million for the five months ended May 31, 2025, the increase was in line with an increase in profit before taxation in the same period.

Profit/(loss) for the Period

As a result of the foregoing, our profit for the period increased significantly from RMB34.7 million for the five months ended May 31, 2024 to RMB125.6 million for the five months ended May 31, 2025.

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

Revenue

Our total revenue increased by RMB463.3 million, or 87.5%, from RMB529.7 million in 2023 to RMB993.0 million in 2024, primarily due to a significant increase in revenue from Yangxiaomie of RMB724.7 million, partially offset by a decrease in revenue from Consumption Guide of RMB178.3 million and revenue from matching services for financial institutions of RMB75.1 million.

Our revenue derived from operation of online marketplaces increased by 132.8% from RMB411.5 million in 2023 to RMB957.9 million in 2024, resulting from the following factors:

- Our revenue derived from Yangxiaomie increased by 361.4% from RMB200.5 million in 2023 to RMB925.1 million in 2024, primarily driven by an increase in the aggregate goods transaction value we facilitated. We attribute this increase to the strategic advertising and marketing initiatives for Yangxiaomie beginning in the third quarter of 2023 across various Internet platforms for traffic acquisition, specifically advertising on new media platforms, which had a delayed impact on our revenue from online marketplaces on Yangxiaomie. In 2024, we continued to prioritize the development and operation of Yangxiaomie. Furthermore, we continuously enhance the user experience for our end customers and drive sales by streamlining the transaction process, generating

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personalized product recommendations based on customer preferences, expanding our SKU offerings, and implementing promotional activities for both new and existing customers. Additionally, we continue to improve our supply chain by onboarding a full-category marketplace supplier, POP Store A, as a POP store operator on Yangxiaomie and expanding the number of merchandise suppliers.

- Our revenue derived from Consumption Guide decreased by 84.5% from RMB211.1 million in 2023 to RMB32.8 million in 2024. This decrease was primarily because we strategically increased our resources in development and operation of Yangxiaomie, as Consumption Guide presented a relatively lower gross profit margin, being 35.6% and 31.2% for the years ended December 31, 2022 and 2023, respectively, compared to our overall gross profit margin (being 65.8% and 69.4% for the same periods). This strategic decision led to a reduction in our resource investment in Consumption Guide, therefore affected our revenue from Consumption Guide. Additionally, the number of government discount coupons distributed in 2024 was lower than that in 2023, leading to a decline in automobile purchases during the year.
- Our revenue derived from advertisement placement services decreased by 72.7% from RMB11.0 million in 2023 to RMB3.0 million in 2024, primarily due to a reduction in the demand for online advertisement placement services of marketplace suppliers from various sectors on Consumption Guide.
- Our revenue derived from matching services for financial institutions decreased by 70.1% from RMB107.2 million in 2023 to RMB32.0 million in 2024. This decrease was primarily because we strategically reallocated our human and marketing resources to focus on developing Yangxiaomie, which influenced our resource distribution for matching services for financial institutions.

Cost of Sales

Our total cost of sales decreased by RMB130.9 million, or 80.8%, from RMB162.0 million in 2023 to RMB31.1 million in 2024, primarily due to (i) a decrease in internet operation cost, which was attributable to a decrease in the portion of revenue we shared with Weidaoyun, as we shared 20% of revenue generated through Consumption Guide with Weidaoyun in 2024 as compared to 50% to 70% of revenue derived from marketplace suppliers introduced by Weidaoyun in 2023, (ii) a decrease in salaries and benefits due to streamlining our personnel, partially offset by (i) an increase in share-based compensation, and (ii) an increase in technology and outsourcing services cost.

Gross Profit and Gross Profit Margins

Our gross profit increased by RMB594.2 million, or 161.6%, from RMB367.7 million in 2023 to RMB961.9 million in 2024. Our gross profit margin increased from 69.4% in 2023 to 96.9% in 2024, primarily due to an increase in our total revenue, particularly driven by the growth of Yangxiaomie, and a decrease in our cost of sales, which was primarily attributable to a decrease in Internet operation cost in relation to Weidaoyun upon the transformation of targeted marketplace suppliers of the Consumption Guide.

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Other income or loss, net

Our other income or loss, net increased by RMB2.8 million, or 62.2%, from RMB4.5 million in 2023 to RMB7.3 million in 2024, primarily due to trade receivables extension fee, which served as compensation for the expiry of the grace period on our customers’ outstanding trade receivables.

Research and Development Expenses

Our research and development expenses decreased by RMB9.5 million, or 20.3%, from RMB46.9 million in 2023 to RMB37.4 million in 2024, primarily due to a reduction in R&D employee headcount, as a result of the stable operation of our apps, partially offset by an increase in share-based compensation associated with the RSUs we granted to our R&D personnel.

General and Administrative Expenses

Our general and administrative expenses increased by RMB46.6 million, or 68.6%, from RMB68.0 million in 2023 to RMB114.6 million in 2024, primarily due to (i) an increase in share-based compensation of RMB34.1 million as compared to 2023 as we granted RSUs to our management personnel, (ii) an increase in [REDACTED] of RMB13.8 million as compared to 2023 and (iii) an increase in taxes of RMB8.8 million due to a substantial growth in Yangxiaomie in 2024.

Sales and Marketing Expenses

Our sales and marketing expenses increased by RMB360.9 million, or 329.9%, from RMB109.4 million in 2023 to RMB470.3 million in 2024, primarily due to an increase in marketing expenses of RMB370.0 million as compared to 2023 which was primarily driven by our business growth, partially offset by a decrease in Internet advertising and promotion expenses of RMB7.3 million as compared to 2023 as we have ceased all then existing agreements with the financial institutions in connection with matching services as of September 12, 2024.

Impairment (Loss)/Gain on Financial Assets

We had impairment gain on financial assets of RMB5.3 million in 2024, as compared to impairment loss on financial assets of RMB2.6 million in 2023, primarily due to a reversal of an impairment loss, which was mainly attributable to the recovery of amounts due from Company I.

Net Finance Costs

Our net finance costs increased from RMB0.8 million in 2023 to RMB1.6 million in 2024, primarily due to an increase in interest expenses on lease liabilities in relation to the right-of-use assets and an increase in interest expenses on bank and other borrowings.

Changes in Carrying Amount of Financial Instruments with Preferred Rights

Our changes in carrying amount of financial instruments with preferred rights primarily related to recognition of financial liabilities arising from the Company’s obligation to buy back certain shareholders’ investments upon the occurrence of any specified contingent redemption events which are not within our Company or our Group’s control based on the shareholders’ agreement entered into among our Company, certain members of our Group and each of our Company’s shareholders in May 2022. Our changes in carrying amount of financial instruments with preferred rights increased by RMB14.1 million, or 10.0%, from RMB141.6 million in 2023 to RMB155.7 million in 2024.

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Changes in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss

Our changes in fair value of financial assets measured at fair value through profit or loss was RMB13.0 thousand in 2023, compared to nil in 2024, primarily reflecting the fair value of nil of our minority equity investments in an e-commerce solutions company based in Shenzhen, China (“**Company SZT**”).

Income Tax Credit/(Expense)

The change of our income tax credit of RMB0.9 million in 2023 to income tax expense of RMB47.7 million in 2024 was primarily due to our ongoing business expansion and sustained profitability.

Profit/(loss) for the Year

As a result of the foregoing, our profit for the year increased from RMB3.6 million in 2023 to RMB147.1 million in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our total revenue increased by RMB54.4 million, or 11.4%, from RMB475.3 million in 2022 to RMB529.7 million in 2023, primarily due to an increase in revenue derived from matching services for financial institutions due to increases in both average monthly paying users and annual transaction value, partially offset by a decrease in revenue derived from Yangxiaomie.

Cost of Sales

Our total cost of sales decreased slightly by RMB0.5 million, or 0.3%, from RMB162.5 million in 2022 to RMB162.0 million in 2023, primarily due to (i) a decrease in salaries and benefits due to streamlining our personnel, (ii) a decrease in cloud services cost achieved through a series of measures we have implemented aimed at optimizing resource utilization; (iii) a decrease in technology and outsourcing services cost, partially offset by an increase in the marketing cost for Consumption Guide’s offline and online marketing activities for promotional purposes, which is included in the Internet operation cost.

Gross Profit and Gross Profit Margins

Our gross profit increased by RMB54.9 million, or 17.6%, from RMB312.8 million in 2022 to RMB367.7 million in 2023, primarily driven by a substantial increase in our total revenue, while our cost of sales remained relatively stable. Our gross profit margin increased from 65.8% in 2022 to 69.4% in 2023, primarily due to the stabilization of the cost of sales related to revenue derived from the operation of Consumption Guide as it continued to mature in 2023. This stands in contrast to 2022, when we incurred significant initial marketing startup costs in connection with the launch of Consumption Guide.

Other income or loss, net

Our other income or loss, net increased by RMB1.2 million, or 36.3%, from RMB3.3 million in 2022 to RMB4.5 million in 2023, primarily because we had (i) a gain on debt restructuring of RMB2.6 million, which is one-off in nature, attributable to the settlement we reached in May 2023 with a service supplier of Liangzi Data which resulted in a discount on overdue service payments, thereby offsetting the outstanding trade payables balance and (ii) a gain on compensations of RMB1.5 million in connection with the recovery of prepayment for acquisition of office premises, as a result of the termination of the property purchase agreement we entered into with Hainan Zimu.

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Research and Development Expenses

Our research and development expenses decreased by RMB13.8 million, or 22.7%, from RMB60.7 million in 2022 to RMB46.9 million in 2023, primarily due to (i) a reduction in R&D employee headcount, as a result of the stable operation of Consumption Guide in comparison to 2022, when we expanded our R&D personnel in anticipation of the launch of the app and (ii) forfeiture of RSUs previously granted to employees who have left our Company.

General and Administrative Expenses

Our general and administrative expenses decreased by RMB47.0 million, or 40.9%, from RMB115.1 million in 2022 to RMB68.0 million in 2023, primarily due to (i) a decrease in share-based compensation of RMB19.1 million as compared to 2022 due to the forfeiture of RSUs previously granted to employees who have left our Company, (ii) a decrease in [REDACTED] of RMB17.0 million as compared to 2022, (iii) a decrease in depreciation and amortization expense of RMB5.3 million as compared to 2022 due to discontinuation of a property lease agreement, (iv) decrease in salaries and benefits of RMB3.5 million as compared to 2022 as a result of streamlining our management personnel.

Sales and Marketing Expenses

Our sales and marketing expenses increased by RMB61.5 million, or 128.4%, from RMB47.9 million in 2022 to RMB109.4 million in 2023, primarily due to (i) an increase in Internet advertising and promotion expenses of RMB17.9 million, motivated by the sustained profitability of our matching business for financial institutions as we sought to support its growth, and (ii) an increase in marketing expenses of RMB45.9 million as we strategically reintroduced advertising and marketing initiatives across various Internet platforms for Yangxiaomie beginning in the third quarter of 2023 after we terminated such cooperations with our third-party suppliers of Internet advertising and promotion services in 2022 to enhance its brand awareness in line with our business expansion, partially offset by a decrease in salaries and benefit due to a reduction in sales employee headcount. Moving forward, we plan to invest in Internet advertising and promotional services based on our actual business needs and development strategies.

Impairment Loss on Financial Assets

Our impairment loss on financial assets decreased by RMB6.8 million, or 72.1%, from RMB9.4 million in 2022 to RMB2.6 million in 2023, primarily due to a decrease in net impairment losses on trade receivables from RMB9.8 million in 2022 to RMB2.6 million in 2023 as a result of the provision we made for the remaining unpaid service fees of RMB8.4 million as of December 31, 2022 in connection with the lawsuit against Company I. See “Risk Factors — We may be subject to legal, regulatory and/or administrative proceedings.”

Net Finance Costs

Our net finance costs increased by RMB0.8 million, or 1,669.6%, from RMB46.0 thousand in 2022 to RMB0.8 million in 2023, primarily due to (i) an increase in interest expense on lease liabilities from RMB0.2 million in 2022 to RMB0.6 million in 2023 in relation to the lease agreement of office premises we entered into in 2023, and (ii) an increase in interest expense on bank and other borrowings from nil in 2022 to RMB0.2 million in 2023 due to the newly acquired bank borrowings of Liangzi Data in 2023.

Changes in Carrying Amount of Financial Instruments with Preferred Rights

Our changes in carrying amount of financial instruments with preferred rights primarily related to recognition of financial liabilities arising from our Company’s obligation to buy back certain shareholders’

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investments upon the occurrence of any specified contingent redemption events which are not within our Company or our Group’s control based on the shareholders’ agreement entered into among our Company, certain members of our Group and each of our Company’s shareholders in May 2022. Our changes in carrying amount of financial instruments with preferred rights was RMB141.6 million in 2023.

Changes in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss

Our changes in fair value of financial assets measured at fair value through profit or loss decreased by RMB0.1 million, or 89.4%, from RMB0.1 million in 2022 to RMB13.0 thousand in 2023, primarily due to fluctuations in the fair value of our minority equity investment in Company SZT.

Income Tax Credit/(Expense)

The change of our income tax credit of RMB1.0 million in 2022 to income tax credit of RMB0.9 million in 2023 was primarily due to a reduction in credit impairment, which aligns with a decrease in deferred tax.

(Loss)/profit for the Year

As a result of the foregoing, we turned from a loss for the year of RMB0.3 million in 2022 to a profit for the year of RMB3.6 million in 2023.

CERTAIN COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth the components of our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,666	1,266	785	696
Intangible assets	1,694	2,135	2,317	2,194
Right-of-use assets	5,436	21,678	16,773	14,901
Financial assets at fair value through profit or loss	13	—	—	—
Deferred tax assets	1,003	1,903	2,505	3,238
Other non-current assets	33,761	—	—	—
Total non-current assets	43,573	26,982	22,380	21,029
Current assets				
Prepaid expenses and other receivables	20,104	28,081	26,560	42,711
Trade receivables	258,227	443,254	638,416	743,823
Restricted cash	3,038	—	—	—
Cash and cash equivalents	77,180	110,989	313,936	428,050
Other current assets	—	4,761	—	—
Total current assets	358,549	587,085	978,912	1,214,584
Current liabilities				
Trade payables	30,434	31,886	62,285	39,558
Contract liabilities	18,877	39,642	5,012	38,763
Bank and other borrowings	—	23,000	18,000	36,000
Lease liabilities	4,386	4,352	4,457	4,482
Financial instruments with preferred rights	1,415,614	1,557,175	1,712,893	1,782,285
Income tax payables	5	8	33,663	31,482

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	As of December 31,			As of May 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Accrued expenses and other current liabilities	21,933	29,927	53,741	55,486
Provision	111	—	—	—
Total current liabilities	1,491,360	1,685,990	1,890,051	1,988,056
Net current liabilities	(1,132,811)	(1,098,905)	(911,139)	(773,472)
Total assets less current liabilities	(1,089,238)	(1,071,923)	(888,759)	(752,443)
Non-current liabilities				
Bank and other borrowings	—	2,835	7,665	7,729
Lease liabilities	141	18,257	12,492	11,806
NET LIABILITIES	(1,089,379)	(1,093,015)	(908,916)	(771,978)
Capital and reserves				
Share capital	350	350	350	350
Reserves	(1,089,729)	(1,093,365)	(909,266)	(772,328)
TOTAL DEFICIT	(1,089,379)	(1,093,015)	(908,916)	(771,978)

Right-of-use Asset

As of December 31, 2022, 2023 and 2024 and May 31, 2025, our right-of-use assets were RMB5.4 million, RMB21.7 million, RMB16.8 million and RMB14.9 million, respectively, primarily representing our leased office premises. The increase in right-of-use assets from 2022 to 2023 was primarily due to the recognition of future lease payments over the next five years in 2023, pursuant to a lease agreement of office premises we entered into in July 2023. The decrease in right-of-use assets from RMB21.7 million as of December 31, 2023 to RMB16.8 million as of December 31, 2024 was primarily due to depreciation of our right-of-use assets. The decrease in right-of-use assets from RMB16.8 million as of December 31, 2024 to RMB14.9 million as of May 31, 2025 was primarily due to the depreciation of our leased office premises.

Net Liabilities

As of May 31, 2025, we recorded net liabilities of RMB772.0 million as compared to RMB908.9 million as of December 31, 2024, primarily due to an increase in profit and other comprehensive income for the period of RMB125.8 million and share-based compensation of RMB11.1 million. As of December 31, 2024, we recorded net liabilities of RMB908.9 million as compared to RMB1,093.0 million as of December 31, 2023, primarily due to an increase in profit and other comprehensive income for the year of RMB147.2 million and share-based compensation of RMB36.9 million. As of December 31, 2023, we recorded net liabilities of RMB1,093.0 million as compared to RMB1,089.4 million as of December 31, 2022. This increase was primarily due to a reversal of share-based compensation of RMB7.3 million, partially offset by an increase in profit and other comprehensive income for the year of RMB3.6 million.

Intangible Assets

Our intangible assets consist of software. As of December 31, 2022, 2023 and December 31, 2024 and May 31, 2025, we recorded intangible assets of RMB1.7 million, RMB2.1 million, RMB2.3 million and RMB2.2 million, respectively. The increase in intangible assets as of December 31, 2022 was primarily due to our newly purchased office administrative software, trademarks and domain name. The increase in intangible assets as of December 31, 2023 was primarily due to the acquisition of new software and registration of software

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copyrights. The increase in intangible assets as of December 31, 2024 was primarily due to the expenses incurred for registering trademarks. The decrease in intangible assets as of May 31, 2025 was primarily due to the amortization of our software, patent and trademark and domain name during the period.

Net Current Liabilities

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

	As of December 31,			As of May 31,	As of July 31,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current assets					
Prepaid expenses and other receivables	20,104	28,081	26,560	42,711	53,415
Trade receivables	258,227	443,254	638,416	743,823	931,539
Restricted cash	3,038	—	—	—	—
Cash and cash equivalents	77,180	110,989	313,936	428,050	362,250
Other current assets	—	4,761	—	—	—
Total current assets	358,549	587,085	978,912	1,214,584	1,347,204
Current liabilities					
Trade payables	30,434	31,886	62,285	39,558	19,825
Contract liabilities	18,877	39,642	5,012	38,763	34,286
Bank and other borrowings	—	23,000	18,000	36,000	66,000
Lease liabilities	4,386	4,352	4,457	4,482	4,457
Financial instruments with preferred rights	1,415,614	1,557,175	1,712,893	1,782,285	1,810,823
Income tax payables	5	8	33,663	31,482	24,614
Accrued expenses and other current liabilities	21,933	29,927	53,741	55,486	79,119
Provision	111	—	—	—	—
Total current liabilities	1,491,360	1,685,990	1,890,051	1,988,056	2,039,124
Net current liabilities	(1,132,811)	(1,098,905)	(911,139)	(773,472)	(691,920)

Our net current liabilities decreased from RMB773.5 million as of May 31, 2025, to RMB691.9 million as of July 31, 2025, primarily due to an increase in trade receivables of RMB187.7 million resulting from revenue growth, partially offset by (i) a decrease in cash and cash equivalents of RMB65.8 million due to settling part of the trade payables; and (ii) an increase in bank and other borrowings of RMB30.0 million as we utilized part of the credit facility in June 2025 from the RMB40.0 million received in April 2025.

Our financial instruments with preferred rights will be reclassified from current liabilities to other reserve with no further gain or loss when the preferential rights are automatically terminated upon the [REDACTED]. Afterwards, we expect that we will revert back to a net assets position from a net liabilities position as changes in the carrying amount of the financial instruments with preferred rights no longer exists after the automatic conversion of our preferred shares to equity upon the [REDACTED] and are non-cash in nature. Taking into account the above and the financial resources available to us, including cash flows from operating activities, cash and cash equivalents at the end of the Track Record Period, the estimated [REDACTED] of the [REDACTED] and bank and other borrowings, the Directors are of the view that we will have sufficient funds to meet our working capital

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requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this document.

Our net current liabilities decreased from RMB911.1 million as of December 31, 2024 to RMB773.5 million as of May 31, 2025, primarily due to (i) an increase in trade receivables of RMB105.4 million resulting from the revenue growth; and (ii) an increase in cash and cash equivalents of RMB114.1 million mainly attributable to the profit generated from the business, partially offset by an increase in financial instruments with preferred rights of RMB69.4 million due to changes in their carrying amount.

Our net current liabilities decreased from RMB1,098.9 million as of December 31, 2023 to RMB911.1 million as of December 31, 2024, primarily due to an increase in cash and cash equivalents of RMB202.9 million mainly attributable to sales volume of Yangxiaomie and an increase in trade receivables of RMB195.1 million primarily resulting from the increase in trade receivables due from Yingtian Guangda, partially offset by an increase in financial instruments with preferred rights of RMB155.7 million, as a result of an increase in changes in the carrying amount of financial instruments with preferred rights, and increases in trade payables of RMB30.4 million. We will improve our net current liabilities and cash flow position through various methods, including (i) reducing the credit period of accounts receivable to accelerate the collection, and (ii) enhancing the profitability of our business operations by expanding our service offerings, improving solution quality, and optimizing customer acquisition strategies.

Our net current liabilities decreased from RMB1,132.8 million as of December 31, 2022 to RMB1,098.9 million as of December 31, 2023, primarily due to an increase in trade receivables of RMB185.0 million resulting from the significant uptick in revenue from Yangxiaomie in the latter half of 2023; partially offset by an increase in financial instruments with preferred rights of RMB141.6 million, as a result of an increase in changes in the carrying amount of financial instruments with preferred rights, and increases in contract liabilities of RMB20.8 million and the current portion of bank and other borrowings of RMB23.0 million.

Notwithstanding our net current liabilities of RMB773.5 million as of May 31, 2025 and RMB691.9 million as of July 31, 2025, primarily attributable to financial liabilities under the shareholders’ agreement, which was amounted to RMB1,782.3 million as of May 31, 2025 and expected to convert to equity upon [REDACTED], we have implemented measures to strengthen its liquidity position. These measures include optimizing working capital management through enhanced monitoring of accounts receivable to accelerate collections, with proactive follow-up on overdue payments, while strategically extending accounts payable terms without compromising supplier relationships or operational continuity, ensuring alignment of payment schedules with operational needs. Concurrently, we are elevating profitability by refining service offerings and diversifying high-margin products to capture broader market share through targeted sales strategies, alongside rigorous cost controls that streamline production efficiency and reduce discretionary expenditures, thereby systematically improving gross margins and sustaining long-term financial stability.

Trade Receivables

Our trade receivables primarily represent recognized service fee from our offerings of matching services that have not been settled. We generally require prepayments from new enterprise clients and grant enterprise clients a credit term ranging from one to 90 days. We seek to maintain strict control over our outstanding receivables to manage our credit risk. Our credit control personnel regularly review overdue balances.

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The following table sets forth the total amount of our trade receivables as of the dates indicated:

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	271,232	458,894	648,776	755,905
Less: loss allowance	(13,005)	(15,640)	(10,360)	(12,082)
Trade receivables, net	258,227	443,254	638,416	743,823

Our total trade receivables, net balances as of December 31, 2022, 2023 and December 31, 2024 and May 31, 2025 were RMB258.2 million, RMB443.3 million, RMB638.4 million and RMB743.8 million, respectively. As of July 31, 2025, RMB122.7 million, representing 16.2%, of our trade receivables, net as of May 31, 2025 has been subsequently settled. The outstanding balance of the trade receivables primarily comprised trade receivables due from Yingtan Guangda during the Track Record Period, substantially all of which are within the credit term of six months that we extended to such customer. During the Track Record Period, our trade receivables due from Yingtan Guangda primarily consist of purchase amounts to be transferred by Yingtan Guangda to the Company, arising from transactions in which Yangxiaomie users opted for the installment payment services provided by Yingtan Guangda at checkout pursuant to the financing agreements entered into between Yingtan Guangda and the users, under which the Company is entitled to receive the purchase amounts directly from Yingtan Guangda. We proactively review the recoverable amount of each individual trade receivable, reach out to our customers for trade receivables payment arrangement negotiation if necessary, and assess and adjust our provision for impairment losses for uncollectible trade receivables on a regular basis or more often as necessary. According to the impairment analysis based on expected credit loss model on the recoverability of trade receivables and the available information as of May 31, 2025, we have made sufficient provision for impairment losses for trade receivables as of May 31, 2025. Our Directors are of the view that during the Track Record Period and up to the Latest Practicable Date, there is no material recoverability issue for our trade receivables.

Our trade receivables, net increased by RMB105.4 million, or 16.5%, from RMB638.4 million as of December 31, 2024 to RMB743.8 million, as of May 31, 2025, primarily due to an increase in trade receivables due from Yingtan Guangda, which is in line with the growth of business with Yingtan Guangda.

Our trade receivables, net increased by RMB195.1 million, or 44.0%, from RMB443.3 million as of December 31, 2023 to RMB638.4 million, as of December 31, 2024, primarily due to the increase in trade receivables due from Yingtan Guangda.

Our trade receivables, net further increased by RMB185.1 million, or 71.7%, from RMB258.2 million as of December 31, 2022 to RMB443.3 million as of December 31, 2023. This increase stemmed from several factors. Despite a slight decrease, revenue from our Yangxiaomie remained relatively stable, totaling RMB206.2 million in 2022 and RMB200.5 million in 2023. Notably, the latter half of 2023 saw a significant uptick in revenue, as we strategically reintroduced advertising and marketing initiatives for Yangxiaomie across various Internet platforms beginning in the third quarter to enhance its brand awareness, directly correlating with the rise in trade receivables observed during the latter part of 2023.

Furthermore, trade receivables from Yingtan Guangda constituted a dominant portion of our total trade receivables. Throughout 2023, our transaction value with Yingtan Guangda substantially increased. In line with the growing trend in transaction amounts with Yingtan Guangda, our trade receivables from Yingtan Guangda increased accordingly during the Track Record Period. As of December 31, 2022, 2023 and 2024 and May 31, 2025, the trade receivables from Yingtan Guangda was RMB246.8 million, RMB421.5 million, RMB619.2 million and RMB727.5 million, respectively. Since July 2024, while we did not charge service fee from Yingtan Guangda, we levied Yingtan Guangda an extension fee if there is any overdue outstanding payment from Yingtan Guangda to us on behalf of the borrowers for purchasing goods on Yangxiaomie. According to our trade receivables policy,

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which applies to all of our financial institution partners, Yingtan Guangda enjoys a 15-day grace period for payment of the purchase amount of goods on Yangxiaomie. Upon the expiry of such grace period, we levied an TR Extension Fee calculated based on the outstanding payment amount, multiplied by the average loan prime rate (“LPR”) of the foregoing year. The maximum length of the credit period shall be no more than six months. If the credit period extends beyond the six-month limit, the LPR will be doubled for the purpose of calculating the TR Extension Fee. We grant Yingtan Guangda such extension was primarily because through long-term cooperation with us, Yingtan Guangda has gained a deep understanding of credit characteristics of the borrowers referred through us, and hence, it has a relatively higher credit approval rate as compared with our other financial institution clients. As a result, this combination of increased transaction value and extended credit terms led to a substantial accumulation of trade receivables by the end of the year. During the Track Record Period and up to July 2024, we charged Yingtan Guangda service fee and since July 2024, we charged Yingtan Guangda TR Extension Fee RMB7.1 million. See “Key Components of Our Consolidated Statements of Profit or Loss — Other income or loss, net” for details. On January 1, 2025, we upgraded our accounts receivable policies, pursuant to which the length of the credit period granted to each financial institution will be determined on a case by case basis taking into account factors including the aggregate transaction amount, the length of collaboration and historical credit record of the financial institutions. Such credit period shall not exceed six months in any event. In the meantime, we also ceased collection of additional TR Extension Fee since January 1, 2025. As of the Latest Practicable Date, our trade receivables due from Yingtan Guangda primarily consist of purchase amounts to be transferred by Yingtan Guangda to the Company, arising from transactions in which Yangxiaomie users opted for the installment payment services provided by Yingtan Guangda at checkout pursuant to the financing agreements entered into between Yingtan Guangda and the users, under which the Company is entitled to receive the purchase amounts directly from Yingtan Guangda.

We conduct impairment analysis based on expected credit loss model on the recoverability of trade receivables. The following table sets forth the aging analysis of our trade receivables based on the transaction date and net of provisions as of the balance sheet dates indicated:

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	159,785	290,635	233,194	507,720
3 months to 6 months	95,313	149,487	404,307	235,730
6 months to 1 year	2,348	3	—	373
Over 1 year	781	3,129	915	—
Total	258,227	443,254	638,416	743,823

The following table sets forth our trade receivables turnover days as of the balance sheet dates indicated:

	For the Year Ended December 31,			For the Five Months Ended May 31,
	2022	2023	2024	2025
Trade receivables turnover days ^(Note)	157	242	199	254

Note: We calculate trade receivables turnover days using the average of the beginning and ending balances of trade receivables for a period, divided by the corresponding revenue for the same period, multiplied by the number of days in such period.

For the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, our trade receivables turnover days was 157 days, 242 days, 199 days and 254 days, respectively. We experienced a fluctuation in our trade receivables turnover days primarily because we extended certain flexible paying arrangements to generally longer than 90 days but within six months, on a case by case basis to some of our largest customers, whose trade receivables accounted for substantial portion of our total trade receivables during

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the Track Record Period. The increase in our trade receivables turnover days from 2022 to 2023 was primarily attributable to the extension in our credit terms to not more than six months for Yingtan Guangda due to our historical business relationship in tandem with better service fee arrangement, despite an increase in revenue in 2023. The decrease in our trade receivable turnover days from 242 days for the year ended December 31, 2023 to 199 days for the year ended December 31, 2024 was primarily attributable to an improved collection rate of our trade receivables. The increase in our trade receivable turnover days from 199 days for the year ended December 31, 2024 to 254 days for the five months ended May 31, 2025 was primarily attributable to trade receivables arising from Yingtan Guangda, who has typically settled trade receivables fairly earlier than the six-month credit terms. As of May 31, 2025, Yingtan Guangda has been settling trade receivables relatively closer to, but still within, the agreed credit period. As our revenue generated from Yangxiaomie is recognized on a net basis, this has amplified the effect of the increase in trade receivables turnover days.

As of July 31, 2025, RMB122.7 million, representing 16.2%, of our trade receivables as of May 31, 2025 has been subsequently settled. As of the Latest Practicable Date, RMB157.0 million, representing 20.8%, of our trade receivables as of May 31, 2025 has been subsequently settled.

The outstanding balance of the trade receivables primarily comprised trade receivables due from Yingtan Guangda, substantially all of which are within the credit term of six months offered by us. We believe there is no recoverability issue for our trade receivables: (i) we have implemented strict internal control policies to manage the collection of our trade receivables, see “Business — Internal Control and Risk Management”; and (ii) we maintain long-term and strong relationships with Yingtan Guangda.

Prepaid Expenses and Other Receivables

The following table sets forth our prepaid expenses and other receivables based as of the balance sheet dates indicated:

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Prepaid expenses and other receivables				
Prepaid expenses	2,661	7,057	8,972	7,101
Advance to third party suppliers	10,923	16,055	6,316	30,407
Prepayments for costs incurred in connection with the issuance of the Company's shares ^(Note)	807	1,041	1,541	1,733
Amounts due from certain shareholders of the Company	213	—	—	—
Amounts due from third parties	2,297	831	323	345
Deposits	3,333	3,031	5,713	3,328
Amounts due from a related party	—	—	3,634	—
Deductible input VAT	73	269	264	—
Less: allowance for doubtful debts	(203)	(203)	(203)	(203)
Total	20,104	28,081	26,560	42,711

Note: Amounts due from certain shareholders of the Company will be settled prior to the [REDACTED].

Our prepaid expenses and other receivables primarily consist of (i) advance to third party suppliers that are our business partners under Yangxiaomie pricing model, including advance for goods shipped but not yet confirmed receipt by our end customers, (ii) prepayments for costs incurred in connection with the issuance of our Company's shares relating to the [REDACTED] including fees for legal, accounting and other professional services, (iii) prepaid expenses in relation to administrative and facilities expenses, (iv) deposits in relation to security deposit for our business and operations and security deposits we made to third parties for leasing office facilities, and payments

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made on behalf of others in relation to employee provident fund deduction, and (v) amounts due from third parties in relation to receivables due from third parties arising from settlement of creditor’s rights. See “—Material Related Party Transactions” below for details regarding the amount due from related parties.

Our prepaid expenses and other receivables balances as of December 31, 2022, 2023 and 2024 and May 31, 2025 were RMB20.1 million, RMB28.1 million, RMB26.6 million and RMB42.7 million, respectively. As of July 31, 2025, RMB34.1 million, representing 79.8%, of our prepaid expenses and other receivables as of May 31, 2025 have been subsequently settled.

As of December 31, 2023, our prepaid expenses and other receivables increased by RMB8.0 million compared to December 31, 2022, primarily attributable to an increase in advance to third party suppliers of RMB5.1 million, primarily due to an increase in transaction value in line with our business growth. As of December 31, 2024, our prepaid expenses and other receivables decreased by RMB1.5 million compared to December 31, 2023, primarily attributable to a decrease in advance to third party suppliers. As of May 31, 2025, our prepaid expenses and other receivables increased by RMB16.1 million compared to December 31, 2024, primarily attributable to an increase in advance to third party suppliers of RMB24.1 million primarily due to an increase in transaction volume on Yangxiaomie with orders made towards the end of the period ended May 31, 2025, compared to orders that were made towards the end of the period ended December 31, 2024 as advance to third party suppliers, could only be recognized as costs of sales after the orders are completed.

Trade Payables

Our trade payables primarily consist of amounts due to our suppliers. Our trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

The following table sets forth the total amounts of our trade payables as of the balance sheet dates indicated:

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts due to third parties	30,434	31,886	62,285	39,558
Trade payables	30,434	31,886	62,285	39,558

Our trade payables balances as of December 31, 2022, 2023 and 2024 and May 31, 2025 were RMB30.4 million, RMB31.9 million, RMB62.3 million and RMB39.6 million, respectively. As of July 31, 2025, RMB27.9 million, representing 70.6% of our trade payables as of May 31, 2025 had been subsequently settled. Our Directors confirmed that we did not have any material defaults in payment of trade and other payables during the Track Record Period and up to the Latest Practicable Date.

Our trade payables increased by 4.8% from RMB30.4 million as of December 31, 2022 to RMB31.9 million as of December 31, 2023, primarily due to an increase in amounts due to our Internet advertising and promotion services providers, in line with the increase in our Internet advertising and promotion expenses. Our trade payables increased by 95.3% from RMB31.9 million as of December 31, 2023 to RMB62.3 million as of December 31, 2024, primarily due to an increase in our marketing expenses payable, which was in line with the increase in our marketing expenses. Our trade payables decreased by RMB22.7 million, or 36.4% from RMB62.3 million as of December 31, 2024 to RMB39.6 million as of May 31, 2025, primarily due to a decrease in our marketing expenses payable, resulting from a reduced marketing budget as the our Group reduced the scale of marketing and promotional operations due to the poor performance returns of the marketing campaign during fall 2024.

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The following table sets forth the number of turnover days for our trade payables for the periods indicated:

	For the Year Ended December 31			For the five months ended May 31,
	2022	2023	2024	2025
Trade payables turnover days^(Note)	60	70	552	561

Note: We calculate trade payables turnover days using the average of the beginning and ending balances of trade payables for a period, divided by the corresponding cost of sales for the same period, multiplied by the number of days in such period.

In 2022, 2023 and 2024 and for the five months ended May 31, 2025, the balance of our trade payables turnover days was 60 days, 70 days, 552 days and 561 days, respectively. The increase in our trade payables turnover days for the year ended December 31, 2023 was primarily attributable to a modest extension in payables settlement period for products we sold under Yangxiaomie in 2023 compared to 2022. As a result of our strengthened bargaining power, we were able to negotiate for a longer payables settlement period in 2023. The increase of our trade payables turnover days for the year ended December 31, 2024 was primarily attributable to a significant increase in trade payables and a decrease in cost of sales, resulting from the decrease of RMB131.6 million in Internet operation cost from RMB138.4 million in 2023 to RMB6.8 million in 2024, which mainly represent the service fee we paid to Weidaoyun. Our trade payables turnover days remained relatively stable at 552 days and 561 days for the year ended December 31, 2024 and for the five months ended May 31, 2025, respectively.

Accrued Expenses and Other Current Liabilities

Our accrued expenses and other current liabilities primarily consist of (i) amount due to customers in relation to loan repayment amounts we received from end customers of financial institution clients pending remittance to our financial institution clients, (ii) payables for costs incurred in connection with the proposed [REDACTED] including fees for legal, accounting and other professional services, (iii) value added tax and surcharges payable, and (iv) accrued payroll and welfare. The following table sets forth a breakdown of our accrued expenses and other current liabilities as of the balance sheet dates indicated:

	As of December 31			As of May 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts due to customers				
Related parties	—	184	—	—
Third parties	1,870	2,205	3,079	3,051
Payables for costs incurred in connection with the proposed [REDACTED] of the Company's shares	4,094	4,073	12,292	8,205
Value added tax and surcharges payable . . .	5,407	14,466	26,649	35,570
Accrued payroll and welfare	10,562	8,999	11,721	8,660
Total	21,933	29,927	53,741	55,486

Our accrued expenses and other current liabilities as of December 31, 2022, 2023 and 2024 and May 31, 2025, were RMB21.9 million, RMB29.9 million, RMB53.7 million and RMB55.5 million, respectively.

Our accrued expenses and other current liabilities increased from RMB21.9 million as of December 31, 2022 to RMB29.9 million as of December 31, 2023, primarily due to an increase in value added tax and surcharges payable of RMB9.1 million attributable to a higher VAT payables on sales by our suppliers. In 2023, we implemented stringent management practices concerning our suppliers, requiring their timely issuance and processing of invoices to expedite the settlement of VAT. This led to a noticeable accumulation of VAT payables by year-end. Our accrued expenses and other current liabilities increased from RMB29.9 million as of

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December 31, 2023 to RMB53.7 million as of December 31, 2024 primarily due to an increase in value added tax and surcharges payable of RMB12.2 million, which is in line with our business expansion. Our accrued expenses and other current liabilities remained relatively stable at RMB53.7 million and RMB55.5 million as of December 31, 2024 and May 31, 2025, respectively.

Contract Liabilities

Our contract liabilities primarily consists of receipts in advance of non-refundable payments made by clients.

Our contract liabilities increased from RMB18.9 million as of December 31, 2022 to RMB39.6 million as of December 31, 2023, primarily due to an increase in our transaction value in December 2023 in Yangxiaomie, which significantly influenced the accumulation of contract liabilities, as compared to the corresponding period in 2022. During that time, we recorded reduced transaction value, due to the significant impact of the COVID-19 pandemic. Our contract liabilities decreased from RMB39.6 million as of December 31, 2023 to RMB5.0 million as of December 31, 2024, primarily due to the decrease of transaction value on Yangxiaomie in December 2024. Our contract liabilities increased significantly from RMB5.0 million as of December 31, 2024 to RMB38.8 million as of May 31, 2025, primarily due to an increase in transaction volume on our Ecommerce platform towards the end of the period ended May 31, 2025, compared to towards the end of the period ended December 31, 2024, which resulted an increase in the value of undelivered orders.

As of July 31, 2025, RMB38.8 million or 100.0% of our contract liabilities as of May 31, 2025 have been recognized as revenue.

Financial Instruments with Preferred Rights

Our financial instruments with preferred rights primarily relate to our obligation to repurchase our equity in connection with the redemption rights granted to the investors under the Shareholders’ Agreement. See “History, Reorganization and Corporate Structure — No [REDACTED] Investment” for more details.

The following table sets for our financial instruments with preferred rights as of the dates indicated.

	As of December 31,			As of May 31,
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Current	1,415,614	1,557,175	1,712,893	1,782,285
Total	1,415,614	1,557,175	1,712,893	1,782,285

We recorded financial instruments with preferred rights of RMB1,415.6 million as of December 31, 2022, RMB1,557.2 million as of December 31, 2023, RMB1,712.9 million as of December 31, 2024, and RMB1,782.3 million as of May 31, 2025, primarily due to our recognition of such financial instruments with preferred rights, which are attributable to the Company’s obligation to redeem all of the investments held by the Preference Investors or to liquidate preferentially upon certain redemption or liquidation events, respectively, which are not all within our Company or our Group’s control, pursuant to the Shareholders’ Agreement.

LIQUIDITY AND CAPITAL RESOURCES

Overview

During the Track Record Period and up to the Latest Practicable Date, we had funded our cash requirements principally from a combination of cash generated from our operating activities and bank and other borrowings. As of December 31, 2022, 2023 and 2024 and May 31, 2025, we had cash and cash equivalents of RMB77.2 million, RMB111.0 million, RMB313.9 million and RMB428.1 million, respectively.

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Cash Flow

The following table is a condensed summary of our consolidated statements of cash flows and analysis balances of cash and cash equivalents for the periods indicated:

	For the Year Ended December 31,			For the Five Months Ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Net cash flows generated from/(used in)					
operating activities	763	(15,485)	206,181	(74,470)	97,683
Net cash flows generated from investing					
activities	38,501	29,561	4,230	4,395	(22)
Net cash flows (used in)/generated from					
financing activities	(10,567)	19,781	(7,451)	(2,935)	16,539
Net increase in cash and cash					
equivalents	28,697	33,857	202,960	(73,010)	114,200
Cash and cash equivalents at beginning					
of the year/period	48,483	77,180	110,989	110,989	313,936
Effect of foreign exchange rate					
changes	—	(48)	(13)	(41)	(86)
Cash and cash equivalents at end of the					
year/period	77,180	110,989	313,936	37,938	428,050

Cash Flows Generated from/(Used in) Operating Activities

We had net cash generated from operating activities of RMB97.7 million for the five months ended May 31, 2025 as compared to our net cash used in operating activities of RMB74.5 million for the five months ended May 31, 2024, which was primarily due to (i) an increase in our profit before taxation from RMB46.9 million for the five months ended May 31, 2024 to RMB161.1 million for the same period in 2025; and (ii) a reduced increase in trade receivables from RMB232.7 million for the five months ended May 31, 2024 to RMB107.1 million for the same period in 2025, partially offset by (i) a decrease in trade payables of RMB22.7 million for the five months ended May 31, 2025 as compared to the increase in trade payables of RMB14.8 million for the same period in 2024; and (ii) an increase in income tax paid from RMB8.0 thousand for the five months ended May 31, 2024 to RMB38.4 million for the same period in 2025.

Our net cash generated from operating activities of RMB206.2 million for the year ended December 31, 2024 increased by RMB221.7 million, compared to our net cash used in operating activities of RMB15.5 million for the year ended December 31, 2023, which was primarily due to (i) an increased in profit before taxation after adjustments from RMB146.7 million in 2023 to RMB389.2 million in 2024, (ii) an increase in trade payables of RMB29.6 million in 2024 as compared to an increase in trade payables of RMB1.6 million in 2023 and (iii) an increase in accrued expenses and other liabilities of RMB23.8 million in 2024 as compared to an increase in accrued expenses and other liabilities of RMB8.0 million in 2023, partially offset by (iv) a decrease in contract liabilities of RMB34.6 million in 2024 as compared to an increase in contract liabilities of RMB20.8 million in 2023.

Our net cash used in operating activities of RMB15.5 million for the year ended December 31, 2023 decreased by RMB16.2 million, compared to our net cash generated from operating activities of RMB0.8 million for the year ended December 31, 2022, which was primarily due to (i) an increase in trade receivables of RMB187.7 million in 2023, partially offset by (ii) profit before taxation after adjustments of RMB146.7 million in 2023 as compared to loss before taxation after adjustments of RMB117.5 million in 2022 due to the improved operating performance, (iii) an increase in accrued expenses and other liabilities of RMB8.0 million in 2023 and

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(iv) an increase in contract liabilities of RMB20.8 million in 2023. For a detailed discussion regarding the increase in trade receivables in 2023, see “—Certain Component of Our Consolidated Statements of Financial Position — Net Current Liabilities — Trade Receivables.”

Moreover, concerning cash outflows, our payables settlement for products sold under Yangxiaomie has consistently outpaced the credit terms we offer to customers. This has led to a gap between cash inflow, represented by trade receivables, and cash outflow, represented by trade payables, contributing to a negative operating cash flow in 2023.

We maintained an overall healthy cash position, achieving year-on-year growth in net increases in cash and cash equivalents during the Track Record Period. During the same period, we recorded net cash inflows generated from our investing activities and financing activities, including proceeds from bank and other borrowings.

We have taken and will continue to take various measures to improve our operating cash flow position, including the following:

We have implemented strict internal control policies to manage the collection of our trade receivables, including periodically performing impairment analysis, exerting efforts to enhance the management and collection of trade receivables, and timely communicating with relevant parties for repayments, see “Business —Internal Control and Risk Management — Risk Management” for further details. As a result of our collection efforts, as of July 31, 2025, RMB122.7 million, representing 16.2%, of our trade receivables as of May 31, 2025 has been subsequently settled. As of the Latest Practicable Date, RMB157.0 million, representing 20.8%, of our trade receivables as of May 31, 2025 has been subsequently settled. We will continue to collect outstanding trade receivables.

Furthermore, we intend to reduce transaction value with Yingtan Guangda, to whom we offer extended credit terms, in 2024 by strengthening collaborations with other business partners, which is expected to lower our overall levels of trade receivables. In early 2024, we completed our Technology Setup and Update. Due to the impact of the Technology Setup and Update, we had to temporarily suspend cooperation with our existing financial institutions. Yingtan Guangda provided crucial support in implementing necessary measures to facilitate the Technology Setup and Update. With their support, we prioritized them and promptly completed the process, ensuring that our overall cooperation remained largely unaffected. As a result, our transaction value with Yingtan Guangda increased throughout 2023.

Cash Flows Generated from Investing Activities

For the five months ended May 31, 2025, our net cash used in investing activities was RMB22.0 thousand million, which was primarily related to (i) the payments for additions to property, plant and equipment of RMB13.0 thousand; and (ii) payments for additions to intangible assets of RMB9.0 thousand.

For the year ended December 31, 2024, our net cash generated from investing activities was RMB4.2 million, which was primarily related to the proceeds from disposal of a subsidiary in previous year of RMB4.8 million.

For the year ended December 31, 2023, our net cash generated from investing activities was RMB29.6 million, which was primarily related to the recovering prepayments for acquisition of properties and compensations of RMB30.5 million pursuant to the termination of a property purchase agreement we entered into with Hainan Zimu.

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For the year ended December 31, 2022, our net cash generated from investing activities was RMB38.5 million, which was primarily related to (i) the proceeds from disposal of financial assets at fair value through other comprehensive income of RMB51.0 million relating to the disposal of our equity interests in Tancheng Bank, (ii) the proceeds for the disposal of subsidiaries with net of cash disposed of RMB10.6 million, and (iii) recovery of loans receivable of RMB4.0 million, partially offset by the prepayment for the newly purchase property of RMB29.0 million.

Cash Flows (Used in)/generated from Financing Activities

For the five months ended May 31, 2025, our net cash generated from financing activities was RMB16.5 million, which was primarily related to the proceed form bank and other borrowings of RMB18.1 million, partially offset by (i) the interest paid of RMB359.0 thousand; (ii) the capital elements of lease rentals paid of RMB0.7 million; and (iii) interest elements of lease rentals paid of RMB315.0 thousand.

For the year ended December 31, 2024, our net cash used in financing activities was RMB7.5 million, which was primarily related to (i) payment of bank and other borrowings of RMB26.0 million and (ii) capital elements of lease rentals paid of RMB5.3 million.

For the year ended December 31, 2023, our net cash generated from financing activities was RMB19.8 million, which was primarily related to proceeds from bank and other borrowings of RMB25.8 million, partially offset by capital elements of lease rentals paid of RMB5.1 million.

For the year ended December 31, 2022, our net cash used in financing activities was RMB10.6 million, which was primarily related to (i) capital elements of lease rentals paid of RMB10.0 million and (ii) [REDACTED] to be [REDACTED] of RMB0.6 million.

WORKING CAPITAL SUFFICIENCY

We intend to continue to finance our working capital with cash generated from our operations, [REDACTED] from the [REDACTED], and bank and other borrowings. We will closely monitor the level of our working capital and diligently review future cash flow requirements, to ensure that we maintain sufficient working capital to support our business operations. Furthermore, we will continue to broaden our roster of lending banks to improve our operating cash flow position.

Taking into account the financial resources presently available to us, including our available cash and cash equivalents, anticipated cash flows from our operations, bank and other borrowings, and the [REDACTED] from the [REDACTED], our Directors are of the opinion, and the Joint Sponsors concur, that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this document.

INDEBTEDNESS

During the Track Record Period, our indebtedness mainly consisted of bank and other borrowings, lease liabilities and financial instruments with preferred rights.

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

	As of December 31,			As of May 31,	As of July 31,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current liabilities					
Bank and other borrowings	—	23,000	18,000	36,000	66,000
Lease liabilities	4,386	4,352	4,457	4,482	4,457
Financial instruments with preferred rights	1,415,614	1,557,175	1,712,893	1,782,285	1,810,823
	<u>1,420,000</u>	<u>1,584,527</u>	<u>1,735,350</u>	<u>1,822,767</u>	<u>1,881,280</u>
Non current liabilities					
Bank and other borrowings	—	2,835	7,665	7,729	7,687
Lease liabilities	141	18,257	12,492	11,806	10,515
	<u>141</u>	<u>21,092</u>	<u>20,157</u>	<u>19,535</u>	<u>18,202</u>

Bank and other borrowings

The table below sets forth our bank and other borrowings as of the dates indicated:

	As of December 31,			As of May 31,	As of July 31,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Bank Loans:					
— unsecured and guaranteed by a third party (ii)	—	5,000	—	—	—
— unsecured and guaranteed by a subsidiary of the Group	—	10,000	—	15,000	45,000
— unsecured and unguaranteed	—	8,000	18,000	21,000	21,000
	<u>—</u>	<u>23,000</u>	<u>18,000</u>	<u>36,000</u>	<u>66,000</u>
Other borrowings:					
— unsecured and unguaranteed (iii)	—	2,835	7,665	7,729	7,687
	<u>—</u>	<u>2,835</u>	<u>7,665</u>	<u>7,729</u>	<u>7,687</u>

Notes:

- As at May 31, 2025 and July 31, 2025, the Group's bank loans are all short-term borrowings, and the annual interest rate of these bank loans were ranged from 2.90% to 4.25%.
- These bank loans are collectively guaranteed by a third party, Beijing Haidian Technology Corporate Finance Guarantee Co., Ltd. (北京海澱科技企業融資擔保有限公司), with guarantee fee rate of 1.5%.
- Other borrowings are non-interest bearing loans from four third parties, which are denominated in United States dollars and Hong Kong dollars. As at May 31, 2025, other borrowings denominated in United States dollars amounted to USD665,184 and mature in 13 to 24 months, and other borrowings denominated in Hong Kong dollars amounted to HKD3,218,734 and mature in 27 months. As at July 31, 2025, other borrowings denominated in United States dollars amounted to USD665,184 and mature in 11 to 22 months, and other borrowings denominated in Hong Kong dollars amounted to HKD3,218,734 and mature in 25 months.

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Lease Liabilities

As at December 31, 2022, 2023 and 2024, May 31, 2025 and July 31, 2025, our total lease liabilities were RMB4.5 million, RMB22.6 million, RMB16.9 million, RMB16.3 million and RMB15.0 million, respectively. The following table sets forth the lease liabilities repayable as at the dates indicated:

	As of December 31,			As of May 31,	As of July 31,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Within 1 year	4,386	4,352	4,457	4,482	4,457
After 1 year but within 2 years	141	4,440	4,545	5,095	5,136
After 2 years but within 5 years	—	13,817	7,947	6,711	5,379
	<u>4,527</u>	<u>22,609</u>	<u>16,949</u>	<u>16,288</u>	<u>14,972</u>

Financial instruments with preferred rights

Our Financial instruments with preferred rights amounted to RMB1,415.6 million, RMB1,557.2 million, RMB1,712.9 million, RMB1,782.3 million and RMB1,810.8 million as of December 31, 2022, 2023 and 2024, May 31, 2025 and July 31, 2025, respectively. For further information regarding our Financial instruments with preferred rights, see Note 24 to the Accountants’ Report in Appendix I to this Document.

Contingent Liabilities

As of December 31, 2022, 2023 and 2024 and May 31, 2025, we did not have any material contingent liabilities. In December 2023, three former employees brought three labor arbitrations concerning disputes over the payment of remuneration against Liangzi Data in the PRC, the subject amount of which totaled approximately RMB2.7 million. We have nil estimated liabilities as of May 31, 2025, as two of the arbitration awards have been granted in March 2024 and remaining award was granted in August 2024, all of which directed us to compensate the employees. Even though we brought cases to court against all three of the aforementioned arbitration awards, the entire subject payment amount was recorded as payable for employee compensation out of prudence. In addition, the claims in these arbitration cases are all related to economic compensation only and are not related to our business operations. The three cases were all resolved through mediation. The compensation amounts stipulated in the mediation agreements were paid by us in full to all three employees. Based on the above, our PRC legal advisor is of the view that the labor arbitration cases of the three employees have not resulted in a material adverse impact on our business operations as of the Latest Practicable Date.

Our Directors confirm that as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant on our outstanding debt or any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in payment of bank loans and other borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that since July 31, 2025 and up to the Latest Practicable Date, we did not experience any material difficulties in obtaining credit facilities including bank loans and other borrowings, or withdrawal of facilities or requests for early repayment. As of the Latest Practicable Date, we have unutilized banking facilities of RMB10.0 million. Our Directors confirm that there has not been any material change in our indebtedness since July 31, 2025 and up to the date of this Document, except for the credit facility of RMB30.0 million, which we utilized in June 2025 out of the RMB40.0 million we received from a commercial bank in April, with a credit period from April 2025 to April 2026.

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Save as disclosed above, as of December 31, 2022, 2023 and 2024, May 31, 2025 and July 31, 2025, 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 or acceptance credits, debentures, mortgages, charges, hire purchase commitments or guarantees. Our Directors confirm that there has not been any change in our indebtedness since July 31, 2025.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period primarily consisted of purchases of computers, intangible assets (other than trade mark and domain names) and property (See “ — Material Related Party Transactions”). Our capital expenditures were RMB30.8 million, RMB0.9 million, RMB0.5 million and RMB22.0 thousand for the years ended December 31, 2022, 2023 and 2024 and for the five months ended May 31, 2025, respectively.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. The amounts due to and from related parties as of December 31, 2022, 2023 and 2024 and May 31, 2025, are all in the ordinary course of business. On December 30, 2021, Liangzi Data entered into an equity transfer agreement with Tianjin Zimu, a subsidiary of Liangkebang, pursuant to which Liangzi Data agreed to transfer the equity interests it held in Tancheng Bank to Tianjin Zimu. The transfer was completed in November 2022. See “History, Reorganization and Corporate Structure — Corporate Development — Other Subsidiaries and Investee Companies” and “Contractual Arrangement — Our Contractual Arrangements — Transfer of investment in Tancheng Bank” for further details. In April 2022, to enjoy the tax benefit in Hainan and considering that a self-owned property provides more stability than a leased property, we entered into a property purchase agreement with Hainan Zimu Online Technology Company Limited* (海南自牧網絡科技有限公司) (“**Hainan Zimu**”), a subsidiary of Liangkebang, to purchase from it a property for a purchase price of RMB29.0 million. As Hainan Zimu failed to release the pledge on the property and compete the registration of the transfer of real estate with the relevant PRC authority by January 31, 2023 and considering that the operation of the Group is expected to be conducted primarily within Beijing in the near future, such property purchase agreement was terminated on February 6, 2023 with the consideration amount and liquidated damages, which equal to 5% of the consideration amount, transferred to the Group in 2023. We did not have any other non-trade material related party transaction during the Track Record Period. See Note 28 to the Accountants’ Report in Appendix I for more details about our related party transactions during the Track Record Period.

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm’s length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

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KEY FINANCIAL RATIOS

The following table sets forth certain key financial ratios as of the dates indicated:

	For the Year Ended December 31,			For the five months ended May 31,	
	2022	2023	2024	2024 (unaudited)	2025
Return on equity ⁽¹⁾	0.1%	(0.3)%	(14.7)%	N/A	(36.1)%
Return on total assets ⁽²⁾	(0.1)%	0.7%	18.2%	N/A	27.2%
Current ratio ⁽³⁾	0.2	0.3	0.5	N/A	0.6
Gross profit margin ⁽⁴⁾	65.8%	69.4%	96.9%	96.3%	96.7%
Net (loss)/profit margin ⁽⁵⁾	(0.1)%	0.7%	14.8%	11.6%	30.3%
Adjusted net margin (non-IFRS measure) ⁽⁶⁾	26.6%	27.9%	36.6%	41.3%	51.1%
Adjusted EBITDA margin (non-IFRS measure) ⁽⁷⁾	28.9%	29.3%	42.1%	46.4%	60.3%

Note:

- (1) Return on equity ratio is profit for the year as a percentage of the average balance of total equity at the beginning and the end of the year and multiplied by 100%. The ratio for the five months ended May 31, 2024 and 2025 is annualized by dividing the profit for the period by the number of days in the period and multiplying by 365, and then dividing by the average balance of total equity at the beginning and the end of the period, with the result expressed as a percentage. The annualized ratio is solely for the purpose of being comparable to prior years, and may not be indicative of actual results.
- (2) Return on total assets ratio is profit for the year as a percentage of the average balance of total assets at the beginning and the end of the year and multiplied by 100%. The ratio for the five months ended May 31, 2024 and 2025 is annualized by dividing the profit for the period by the number of days in the period and multiplying by 365, and then dividing by the average balance of total assets at the beginning and the end of the period, with the result expressed as a percentage. The annualized ratio is solely for the purpose of being comparable to prior years, and may not be indicative of actual results.
- (3) Current ratio is total current assets as of year-end divided by total current liabilities as of year-end.
- (4) Gross profit margin is gross profit for the year as a percentage of revenue.
- (5) Net (loss)/profit margin is (loss)/profit for the year as a percentage of revenue.
- (6) Adjusted net margin (non-IFRS measure) equals adjusted profit (non-IFRS measure) divided by revenues for the year and multiplied by 100%.
- (7) Adjusted EBITDA margin (non-IFRS measure) equals adjusted EBITDA (non-IFRS measure) divided by revenues for the year and multiplied by 100%.

Return on Equity

We had a return on equity ratio of 0.1% in 2022, primarily because we recorded a loss in 2022 and had an average balance of total deficit at the beginning and the end of 2022. We had a return on equity ratio of negative 0.3% in 2023, as we returned to profitability in that year and had an average balance of total deficit at the beginning and the end of 2023. We had a return on equity ratio of negative 14.7% for the year ended December 31, 2024, primarily due to a significant increase in our profit in 2024. We had a return on equity ratio of negative 36.1% for the five months ended May 31, 2025, primarily due to a significant increase in profit for the five months ended May 31, 2025, after annualization for calculation purposes.

Return on Total Assets

We had a return on total assets ratio of negative 0.1% in 2022, primarily because we recorded a loss in 2022. We had a return on total assets ratio of 0.7% in 2023, as we returned to profitability in that year. We had a return on total assets ratio of 18.2% for the year ended December 31, 2024, primarily due to a significant increase in our profit in 2024. We had a return on total assets ratio of 27.2% for the five months ended May 31, 2025, primarily due to a significant increase in profit for the five months ended May 31, 2025, after annualization for calculation purposes.

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Current Ratio

Our current ratio remained relatively stable at 0.2 as of December 31, 2022, 0.3 as of December 31, 2023, 0.5 as of December 31, 2024 and 0.6 as of May 31, 2025, primarily due to the comparable growth rates in both our total current assets and total current liabilities. See “— Certain Components of Our Consolidated Statements of Financial Position — Net Current Liabilities” for further details of changes in our current assets and current liabilities over the Track Record Period.

Gross Profit Margin

For the years ended December 31, 2022, 2023, and 2024 and for the five months ended May 31, 2025, our gross profit margin were 65.8%, 69.4%, 96.9% and 96.7%, respectively. See “— Review of Historical Results of Operations” for further details of changes in our gross profit for the year over the Track Record Period.

Net Loss/Profit Margin

For the year ended December 31, 2022, we incurred a net loss margin of 0.1%. For the years ended December 31, 2023 and 2024, we incurred a net profit margin of 0.7% and 14.8%, respectively. For the five months ended May 31, 2025, we incurred a net profit margin of 30.3%. See “Financial Information — Review of Historical Results of Operations” for further details of changes in our profit for the year over the Track Record Period.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, except to the extent disclosed in “Summary — Recent Development” in this document, there has been no material adverse change in our financial or trading position or prospects since May 31, 2025, being the end date of the periods reported on in the Accountants’ Report in Appendix I to this document, and there has been no event since May 31, 2025, which would materially affect the information shown in our consolidated financial statements set out in the Accountants’ Report in Appendix I to this document.

MARKET RISKS

We are exposed to various types of financial and market risks, including currency risk, credit risk and liquidity risk. Our Directors review and agree on financial management policies and practices for managing each of these risks.

Currency Risk

The Group is exposed to currency risk primarily through financing which give rise to cash and cash equivalents and other borrowings balances that are denominated in a currency other than the functional currency of the Group’s subsidiaries to which they relate. The currencies giving rise to this risk are primarily USD and HKD.

During the Track Record Period, our Group’s exchange differences on translation into presentation currency that will not be reclassified to profit or loss in subsequent periods are arising from translation of our Company’s functional currency, USD, into our Group’s presentation currency, RMB. As our Company is not a foreign operation and our Group cannot dispose of our Company in the future, the cumulative amount of the exchange differences relating to our Company were recognised in other comprehensive income and accumulated separately in equity in the exchange reserve that will not be reclassified to profit or loss.

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Credit Risk

Credit risk arises mainly from the risk that counterparties may default on the terms of their agreements. The carrying amounts of our other financial assets, which comprises cash and cash balances, deposits, amounts due from related parties and other receivables represent our maximum exposure to credit risk in relation to these instruments.

We have established policies to evaluate credit risk when accepting new business and to limit our credit exposure to individual clients. We trade only with recognized and creditworthy clients and third parties. It is our policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, we monitor receivable balances on an on-going basis and our exposure to bad debts is insignificant. Our Directors consider that we did not have a significant concentration of credit risk as of December 31, 2022, 2023 and 2024. As we only trade with recognized and creditworthy clients and third parties, we do not require collateral from our clients.

See Note 27(a) of the Accountants’ Report set out in Appendix I to this document for additional information, including certain quantitative disclosure of our credit risk.

Liquidity Risk

We aim to maintain sufficient cash and credit lines to meet our liquidity requirements. We monitor risks of funding shortage using a recurring liquidity planning tool, which takes into consideration the maturity of our financial investments and financial assets (e.g., trade receivables and other financial assets) and projected cash flows from operations.

See Note 27(b) of the Accountants’ Report set out in Appendix I to this document for additional information, including certain quantitative disclosure of liquidity risk.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

The following table of our unaudited [REDACTED] adjusted net tangible assets was prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the [REDACTED] on our net tangible assets as of May 31, 2025 as if it had taken place on that date. The table of unaudited [REDACTED] adjusted net tangible assets of our Group have been prepared for illustrative purpose only and, because of their hypothetical nature, they may not give a true picture of our net tangible assets had the [REDACTED] been completed as of May 31, 2025 or at any future date.

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The unaudited [REDACTED] adjusted net tangible assets set out below are calculated based on our consolidated net liabilities attributable to owners of our Company as of May 31, 2025, as shown in the Accountants’ Report, the text of which is included in Appendix II to this document, and is adjusted as described below:

	Consolidated net tangible liabilities of the Group attributable to equity shareholders of the Company as at May 31, 2025	Estimated [REDACTED] from the [REDACTED]	Estimated impact upon the reclassification of the financial instruments with preferred rights	Unaudited [REDACTED] adjusted net tangible assets attributable to equity shareholders of the Company	Unaudited [REDACTED] adjusted net tangible assets per Share	
	RMB’000 Note (1)	RMB’000 Note (2)	RMB’000 Note (3)	RMB’000	RMB Note (4)	HKD Note (5)
Based on an [REDACTED] of [REDACTED] per Share	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on an [REDACTED] of [REDACTED] per Share	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- (1) The consolidated net tangible liabilities of the Group attributable to the equity shareholders of the Company as at May 31, 2025 is calculated based on the total deficit attributable to the equity shareholders of the Company as at May 31, 2025 of RMB771,978,000, as shown in the Accountants’ Report as set out in Appendix I, with adjustments for intangible assets of the Group of RMB2,194,000.
- (2) The estimated [REDACTED] from the [REDACTED] are based on the expected issuance of [REDACTED] shares and the indicative [REDACTED] of [REDACTED] per Share (being the minimum [REDACTED]) and [REDACTED] per Share (being the [REDACTED]), after deduction of the estimated [REDACTED] and other estimated expenses related to the [REDACTED] paid or payable by the Group (excluding the [REDACTED] that have been charged to profit or loss during the Track Record Period), and does not take into account any shares which may be issued upon the exercise of the [REDACTED] and any shares which may be issued or [REDACTED] by the Company pursuant to the general mandates.

For illustrative purpose, the estimated [REDACTED] of the [REDACTED] have been converted to RMB at an exchange rate of HK\$1 to RMB0.9112 published by PBOC prevailing on September 9, 2025. No representation is made that HK\$ amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or at any other rate.
- (3) The carrying amount of financial instruments with preferred rights, which represented the redemption rights and liquidation preference rights, was [REDACTED] as of May 31, 2025 (as set out in Note 24 of Appendix I). Upon the [REDACTED], the redeemable rights and liquidation preference rights will be automatically terminated, and the financial instruments with preferred rights will be reclassified from liabilities to equity.
- (4) The unaudited [REDACTED] adjusted net tangible assets per Share is arrived at after adjustments as described in note (2) and note (3) and on the basis that [REDACTED] Shares were in issue, being the number of shares expected to be in issue following the completion of the [REDACTED], assuming that the [REDACTED] completed on May 31, 2025 without taking into account of any shares which may be issued upon the exercise of the [REDACTED] and any shares which may be issued or [REDACTED] by the Company pursuant to the general mandates.
- (5) For illustrative purpose, the unaudited [REDACTED] adjusted net tangible assets per Share amounts in RMB are converted to HK\$ with an exchange rate of RMB0.9112 to HK\$1 published by PBOC prevailing on September 9, 2025. No representation is made that RMB amounts have been, could have been or may be converted to HK\$, or vice versa, at that rate or at any other rate.
- (6) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to May 31, 2025.

DIVIDEND

During the Track Record Period, no dividend has been paid or declared by our Company.

We are a holding company incorporated under the laws of the Cayman Islands. We recorded net liabilities during the Track Record Period, primarily due to financial instruments with preferred rights issued to investors

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through our shareholders’ agreements. Our financial instruments with preferred rights will be reclassified from current liabilities to other reserve with no further gain or loss when the preferential rights are automatically terminated upon the [REDACTED]. Afterwards, we do not expect to recognize any further loss or gain from changes in carrying amount of financial instruments with preferred rights and we expect to revert back to a net assets position from a net liabilities position. In addition, as advised by Harney Westwood & Riegels, our legal advisor on Cayman Islands law, under Cayman Islands law, a position of net liabilities does not necessarily restrict our Company from declaring and paying dividends to our Shareholders out of either our profit or credit standing in our share premium account, provided this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business. However, our payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which may differ in certain aspects from the generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends.

After completion of the [REDACTED], our Company’s Shareholders will be entitled to receive dividends we declare. Our Company currently does not have a dividend policy. Any amount of dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, our development pipeline, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. See “Appendix III — Summary of the Articles of our Company and Cayman Companies Act” for further details. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Dividends declared in the past may not be indicative of our future dividend policy. Our Directors have the absolute discretion to recommend any dividend. There is no assurance that our Company will be able to declare dividends of such any amount each year or in any year.

DISTRIBUTABLE RESERVES

As of May 31, 2025, we did not have any distributable reserves.

[REDACTED]

Assuming an [REDACTED] of [REDACTED] per Share (being the mid-point of the indicative [REDACTED] range stated in this document), the [REDACTED], together with the Stock Exchange [REDACTED], SFC transaction levy; AFRC transaction levy and [REDACTED], legal and other professional fees, printing and other expenses relating to the [REDACTED], which are payable by us are estimated to amount in aggregate to be approximately [REDACTED] million, accounting for [REDACTED] of the total gross [REDACTED], which consist of (i) [REDACTED]-related expenses (including but not limited to commissions and fees) of approximately [REDACTED] million, and (ii) non-[REDACTED] related expenses of approximately [REDACTED] million, including (a) fees and expenses of legal advisors and reporting accountants of approximately [REDACTED] million, and (b) other fees and expenses of approximately [REDACTED] million. For the years ended December 31, 2021, 2022, 2023, 2024 and the five months ended May 31, 2025 [REDACTED] charged to our consolidated profit or loss was RMB5.9 million, RMB26.7 million, RMB9.6 million, RMB23.5 million and RMB5.4 million, respectively. The estimated remaining [REDACTED] of [REDACTED] million is expected to be charged to our consolidated statement of profit or loss and other comprehensive income and approximately [REDACTED] million, which accounts for [REDACTED] of the total gross [REDACTED], is expected to be deducted from equity following the [REDACTED]. The [REDACTED] above are the latest practicable estimate and are provided for reference only, and actual amounts

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may differ. The aggregate [REDACTED] for the [REDACTED] is expected to be determined following book closing after publication of this document, and is subject to a number of factors, including, amongst others, the final [REDACTED], the quality of investors brought in by the relevant syndicate members and the subscription level of the [REDACTED].

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

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

RECENT DEVELOPMENT

See “Summary — Recent Development” for further details of the impact of recent developments on our business, operations and financial positions.

IMPACT OF COVID-19

The outbreak of COVID-19 has severely impacted the world. In an effort to contain the spread of COVID-19, countries around the world have taken precautionary measures that reduced economic activities, including temporary closure of corporate offices, retail outlets and manufacturing facilities and strict implementation of quarantine measures. Since late 2022, many governments have started to ease their zero-COVID policy, including removing mass testing and central quarantine requirements and lifting travel restrictions. Driven by the pivot in COVID-19 policies and the early Chinese New Year holiday season, offline business operations and consumer traffic across mainland China have started to recover since 2023, fueling the development of Consumption Guide, as the app promotes offline transactions through online marketing. Our revenue increased from RMB475.3 million in 2022 to RMB529.7 million in 2023, representing an increase of 11.4%.

After due and careful consideration of our Directors, the Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since May 31, 2025, being the latest date of our consolidated financial statements as set out in Appendix I to this document, and there is no event since May 31, 2025 that would materially affect the information as set out in the Accountants’ Report included in Appendix I to this document.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

The Board consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. The following table sets forth certain information regarding the Directors.

Name	Age	Date of joining the Group	Date of appointment as a Director	Position	Responsibilities	Relationship with other Directors and senior management
Dr. ZHOU Hao (周灝)	43	November 3, 2014	March 31, 2022	Executive Director, chief executive officer and chairman of the Board	Day-to-day management and strategic planning of our Group	Nil
Mr. LI Yan (李岩)	33	May 1, 2020	May 9, 2022	Executive Director and chief strategic officer	Overall strategic planning of our Group	Nil
Mr. SONG Yang (宋揚)	38	June 8, 2020	January 31, 2024	Executive Director and chief financial officer	Management of our Group’s business operations and financial functions of our Group	Nil
Mr. Zhou Qiang (周強)	42	September 1, 2022	January 31, 2024	Executive Director and chief technology officer	Overall strategic planning of business, and research and development of products of our Group	Nil
Mr. ZHANG Yi (張毅)	43	May 9, 2022	May 9, 2022	Non-executive Director	Providing professional opinion and judgment to the Board	Nil
Ms. LIU Fangwei (劉方未)	36	May 9, 2022	May 9, 2022	Non-executive Director	Providing professional opinion and judgment to the Board	Nil
Mr. SUN Junchen (孫俊辰)	35	[●], 2025 ^(Note)	[●], 2025 ^(Note)	Independent non-executive Director	Supervising and providing independent advice on the operation and management of our Group	Nil

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Date of joining the Group	Date of appointment as a Director	Position	Responsibilities	Relationship with other Directors and senior management
Mr. CAO Jie (曹杰)	44	[●], 2025 ^(Note)	[●], 2025 ^(Note)	Independent non-executive Director	Supervising and providing independent advice on the operation and management of our Group	Nil
Ms. GUO Yongfang (郭永芳)	36	[●], 2025 ^(Note)	[●], 2025 ^(Note)	Independent non-executive Director	Supervising and providing independent advice on the operation and management of our Group	Nil

Note:

Such appointment will be effective upon [REDACTED].

Executive Directors

Dr. ZHOU Hao (周灝), aged 43, is our founder, an executive Director, the chief executive officer of our Group and the chairman of the Board. He is primarily responsible for the day-to-day management and strategic planning of our Group. Dr. Zhou was appointed as an executive director and a manager of Liangzi Data on November 3, 2014. He was appointed as a Director on March 31, 2022, and was subsequently re-designated as an executive Director and the chairman of the Board on May 17, 2022.

Prior to establishing our Group, Dr. Zhou served as the vice president at the sales and marketing department of Shenzhen Zouxu Network Technology Co., Ltd.* (深圳走秀網絡科技有限公司), a company primarily engaged in e-commerce business, from September 2012 to August 2013, where he was primarily responsible for the overall management of marketing and business development. From September 2011 to August 2012, he was an associate of the risk management division at Morgan Stanley, where he was mainly involved in quantitative analysis of investment products and services. From November 2009 to September 2011, Dr. Zhou worked at Barclays Bank Plc. with the last position being vice president, where he was primarily responsible for developing and documenting mathematical models for business strategies and risk control matters. From October 2007 to October 2009, he worked at Capital One Services, Inc. with the last position being senior statistician, where he was primarily involved in statistical and data analysis of business strategies.

Dr. Zhou obtained his bachelor of science degree in astronomy from the School of Physics at Peking University (北京大學) in July 2002. He received a doctoral degree in physics from Rice University in the United States in January 2008. Dr. Zhou has also received various recognition throughout the years. In 2015, Dr. Zhou was named “Chinese Innovator of the Year (創業中國年度創新人物)” by China Association for Small and Medium Commercial Enterprises (中國中小商業企業協會) and “Top Leading Talent (2015年度中關村高端領軍人才)” by Zhongguancun Science Park in 2015. In 2016, Dr. Zhou was named “Chinese Returned Scholars Innovation and Entrepreneurship 50 (中國留學人員創新創業50人)” by the Center for China & Globalization (中國與全球化智庫) (“CCG”), recognized as a High-level Overseas Talent of Beijing (北京市海外高層次人才) and appointed as a Distinguished Expert of Beijing (北京特聘專家) jointly by Organization Department of Beijing Municipal Committee of the Communist Party of China (中共北京市委組織部) and Beijing Municipal Human

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Resources and Social Security Bureau (北京市人力資源和社會保障局). Dr. Zhou was presented with “2018 Best Technology Leadership Award (AI) (2018年度最具技術領導力人物獎(人工智能))” jointly by Internet Weekly (互聯網周刊) and Center for Informatization of the Chinese Academy of Social Sciences (中國社會科學院信息化研究中心). In 2019, Dr. Zhou was awarded 2019 Scientist Entrepreneurs List: China 30 (2019中國科學企業家Top 30) and “100 Tech Pioneers-Overseas Returnees (海歸科技創新者100人)” by the World Innovators Meet 2019 organized by EqualOcean (億歐), named “Top 10 AI Breakthrough Leaders (人工智能商業突破人物TOP10)” by QbitAI (量子位), named “2019 AI Industry Person of the Year (2019人工智能行業年度人物)” jointly by Internet Weekly (互聯網周刊), eNet.com (矽谷動力) and Center for Informatization of the Chinese Academy of Social Sciences (中國社會科學院信息化研究中心) and elected as a senior council member of CCG. In 2021, Dr. Zhou was recognized as “TOEFL China 40 People in 40 Years (托福中國40年40人)” by Educational Testing Services (ETS). In 2023, Dr. Zhou earned a number of accolades in recognition of his achievements, including “2023 China Artificial Intelligence Business Outstanding Contributor Award (2023中國人工智能商業傑出貢獻人物獎)” jointly presented by Internet Weekly (互聯網周刊), Center for Informatization of the Chinese Academy of Social Sciences (中國社會科學院信息化研究中心), eNet Research Centre (eNet研究院) and Deben Consulting (Beijing) Limited* (德本諮詢(北京)有限公司), and “2023 Outstanding Digital Innovators (2023杰出數字化創新人物)” and “2024 (Industry) Influential Figures (2024(業界)影響力人物)” jointly presented by Syobserve.com (數央網) and Gongyidaily.com (數央公益).

Mr. LI Yan (李岩), aged 33, is an executive Director and the chief strategic officer of our Group. He is primarily responsible for overall strategic planning of our Group. Mr. Li was engaged as an external strategic consultant of Liangzi Data in March 2018 and joined our Group as the chief financial officer of Liangzi Data in May 1, 2020. He was appointed as a Director on May 9, 2022, and was subsequently re-designated as an executive Director on May 17, 2022. He has been re-designated as the chief strategic officer since January 2025.

Since March 2019, Mr. Li has been serving as a non-independent director of Xinjiang Zhundong Petroleum Technology Co., Ltd.* (新疆准東石油技術股份有限公司) (“**Xinjiang Zhundong**”) (of which he was also the chairman of the board from December 2019 to March 2021), a company primarily engaged in the business of oil field management and operations and listed on the Shenzhen Stock Exchange (stock code: 002207). Since August 2018, he has been serving as the president of Beijing Fengsheng Capital Management Co., Ltd.* (北京豐升資本管理有限責任公司).

From May 2017 to July 2018, Mr. Li served as the vice president at Beijing Taikang Investment Management Co., Ltd.* (北京泰康投資管理有限公司), where he was responsible for management of financing and investing activities. Prior to that, from February 2016 to May 2017, Mr. Li also worked at SoftBank China Venture Capital.

Mr. Li obtained his bachelor’s degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in October 2013. He received a master’s degree in business administration from The Chinese University of Hong Kong in November 2016. With his experience as the chairman of Xinjiang Zhundong, Mr. Li was one of the youngest chairmen of A-shares listed companies. He had also received various recognition over the years. He was recognized as China Venture Capital Golden Power Rank’s Top 100 Investment VP (中國創投金勢力榜投資VP Top 100) in 2017, Bufan Shangye* (不凡商業)’s 30 under 30 in the emerging investor (30歲以下新銳投資人) segment in 2018, a “35 under 35” emerging investor (35歲以下新銳青年投資人) by Young Investor Club (青年投資家俱樂部) in 2023 and Hurun U35 China Entrepreneur Pioneer (胡潤U35中國創業先鋒) in 2024.

Mr. SONG Yang (宋揚), aged 38, is an executive Director and the chief financial officer of our Group. Mr. Song is primarily responsible for the management of the Company’s business and financial functions of our

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Group. Mr. Song had been the finance director of the Company since he joined our Group June 2020, and was appointed as an executive Director on January 31, 2024. He was appointed as the chief financial officer in January 2025.

From January 2017 to September 2019, Mr. Song served as the director vice president and the chief financial officer of Deyi Financial Lease Co., Ltd.* (德一融資租賃有限公司), where he primarily assumed overall strategic planning and management responsibilities. From December 2014 to November 2016, Mr. Song served as vice president and finance director of Kunsheng International Financial Lease Co., Ltd.* (坤盛國際融資租賃有限公司), where he was primarily responsible for investment financing activities and finance-related matters. From June 2010 to August 2014, Mr. Song served as a deputy general manager at the finance department of Zhongxin Haohua Asset Management Co., Ltd.* (中信浩華資產管理有限公司), an asset management corporation in the PRC, where he was primarily responsible for the management of financing and investment activities. From August 2007 to May 2010, Mr. Song served as an assistant audit manager at KPMG Huazhen LLP.

Mr. Song obtained his bachelor’s degree in management science from Beijing Technology and Business University (北京工商大學) in July 2007. Mr. Song obtained his PRC certified public accountant certificate from the Chinese Institute of Certified Public Accountants in August 2010.

Mr. ZHOU Qiang (周強), aged 42, is an executive Director and the chief technology officer of our Group. He has been the head of product research and development since he joined our Group in September 2022 and was appointed as an executive Director on January 31, 2024.

From December 2018 to May 2020, Mr. Zhou served as the chief technology officer of Asia-Pacific Property & Casualty Insurance Co., Ltd* (亞太財產保險有限公司). In February 2017, Mr. Zhou joined Beijing Wangzhong Gongchuang Technology Co., Ltd.* (北京網眾共創科技有限公司) as a senior Java developing engineer. From September 2014 to January 2016, Mr. Zhou served as a partner in charge of technology at Beijing Yundian Linkage Technology Development Co., Ltd. * (北京雲點聯動科技發展有限公司), a company primarily engaged in the gaming and gaming software development business. In June 2013, Mr. Zhou joined American Business Tianrui Information System (Beijing) Co., Ltd (美商天睿信息系統(北京)有限公司) (currently known as Teradata Information Systems (Beijing) Limited* (天睿信科技(北京)有限公司)), a company primarily engaged in the operations of data warehouse as a test engineer. From August 2012 to April 2013, Mr. Zhou served as the manager of research and development at Hecom (Beijing) Technology Co., Ltd* (和創(北京)科技股份有限公司), a company primarily engaged in the mobile marketing management business. From April 2007 to July 2012, Mr. Zhou served as a senior engineer at Qilinsoft (China) Co., Ltd* (麒麟遠創軟件(中國)有限公司), a software company that focuses on providing operational intelligence solutions, where he was primarily responsible for overseeing the research and development of software products.

Mr. Zhou obtained a bachelor’s degree in computer science and technology from Hebei University (河北大學) in June 2004 and a master’s degree in software engineering from Beijing University of Aeronautics and Astronautics (北京航空航天大學) in March 2007. Mr Zhou has been studying for a doctorate degree in electronics information at the School of Computer Science and Engineering, Beijing University of Aeronautics and Astronautics (北京航空航天大學) since September 2020.

Non-executive Directors

Mr. ZHANG Yi (張毅), aged 43, has been a Director of the Company since May 9, 2022 and was re-designated as a non-executive Director of the Company on May 17, 2022. He is primarily responsible for providing professional opinion and judgment to the Board.

DIRECTORS AND SENIOR MANAGEMENT

Since February 2016, Mr. Zhang has joined Sunshine Insurance Group Company Limited (陽光保險集團股份有限公司), a company listed on the Stock Exchange (stock code: 6963). Since July 2022, Mr. Zhang has been serving as the assistant to general manager of the investment management department, where he primarily oversees equity investment activities. Since December 2023, he has been serving as the deputy general manager of Equity Business Division of Sunshine Asset Management Co., Ltd (陽光資產管理股份有限公司), where he primarily oversees its equity investment activities. From May 2015 to February 2016, Mr. Zhang served as a vice president at China Capital Management Co., Ltd. (中信建投資本管理有限公司), where he was primarily in charge of the development and execution of private equity investment activities. From September 2013 to April 2015, Mr. Zhang worked at the mergers and acquisition division of the investment banking department of China Minsheng Bank (中國民生銀行). From January 2007 to August 2013, he worked at PricewaterhouseCoopers Consulting (Shenzhen) Co., Ltd. Beijing Branch (普華永道諮詢(深圳)有限公司北京分公司) under the mergers and acquisitions division. From September 2003 to September 2006, he served as a senior auditor at PricewaterhouseCoopers Zhong Tian LLP, Beijing Branch (普華永道中天會計師事務所有限公司北京分所).

Mr. Zhang obtained his bachelor’s degree in international economics and trade from University of International Business and Economics (對外經濟貿易大學) in July 2003. He obtained his master’s degree in business administration from Guanghua School of Management at Peking University (北京大學光華管理學院) in July 2015. Mr. Zhang obtained his qualification as a Chartered Financial Analyst in October 2013.

Ms. LIU Fangwei (劉方未), aged 36, has been a Director of the Company since May 9, 2022 and was re-designated as a non-executive Director of the Company on May 17, 2022. She is primarily responsible for providing professional opinion and judgment to the Board.

Since October 2015, Ms. Liu has been serving for FOSUN RZ Capital (復星銳正資本), an equity investment firm, and is the co-president of FOSUN RZ Capital as of the Latest Practicable Date, where she is primarily responsible for management of venture investment activities of the company.

She obtained her master’s degree in banking and finance from Loughborough University in December 2011 and her master’s degree in statistics from London School of Economics and Political Science in December 2012.

Independent Non-executive Directors

Mr. SUN Junchen (孫俊辰), aged 35, has been appointed as an independent non-executive Director with effect from the [REDACTED]. He is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Since January 2024, Mr. Sun has served as the chief executive officer of Hainan New Baoen Medical Technology Co., Ltd. Beijing Branch.* (海南新寶恩醫療科技有限公司北京分公司), a PRC-based fertility-related solutions and insurance provider. Prior to that, Mr. Sun has served as the vice president of investment development of Newborn Town Inc., a company listed on the Stock Exchange (stock code: 9911), primarily responsible for its innovative business. In February 2017, Mr. Sun joined Beijing BlueCity Information Technology Co., Ltd.* (北京藍城兄弟信息技術有限公司), an Internet company which designs and develops software solutions and a subsidiary of BlueCity Holdings Limited, and served as the chief financial officer from May 2022 to December 2023, where he was primarily responsible for the overall strategic planning, financing and investment activities of the company. From November 2015 to January 2017, Mr. Sun served as the financial controller of MicroMedia Holdings Limited* (北京簡網世紀科技有限公司), a computer software company which focuses on the development of lifestyle mobile applications, where he was primarily responsible for overall financial activities management. From June 2015 to October 2015, Mr. Sun served as a senior manager at the

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investment banking department of Shenwan Hongyuan Securities Co., Ltd. Beijing Branch* (申萬宏源證券有限公司北京分公司), a wholly-owned subsidiary of Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), a company listed on the Stock Exchange (stock code: 6806), where he primarily provided support to PRC initial public offering projects. From October 2011 to May 2015, he worked at PricewaterhouseCoopers.

Since March 2024, Mr. Sun served as an independent non-executive director of China Vered Financial Holding Co., Ltd., a company listed on the Stock Exchange (stock code: 245).

Mr. Sun obtained his bachelor’s degree in international accounting from Tianjin University of Finance and Economics (天津財經大學) in June 2011. He obtained his master’s degree in business administration from Peking University (北京大學) in July 2018. Mr. Sun obtained his PRC certified public accountant certificate from the Chinese Institute of Certified Public Accountants in April 2015.

Mr. CAO Jie (曹杰), aged 44, has been appointed as an independent non-executive Director with effect from the [REDACTED]. He is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Mr. Cao is currently a full-time professor of finance at the School of Accounting and Finance, Hong Kong Polytechnic University (“HK PolyU”). Before joining HK PolyU, he served as an associate professor (which he later attained tenure) of finance at the business school at The Chinese University of Hong Kong from August 2009 to July 2022.

Mr. Cao holds various editorial positions, including (i) Associate Editor of the Asia-Pacific Journal of Financial Studies since March 2024; (ii) Editorial Board Member of Financial Analysts Journal since January 2024; (iii) Co-Editor of the International Review of Finance since May 2023; (iv) Editor of the China Accounting and Finance Review since January 2023; and (v) Associate Editor of Financial Management since November 2022. He also holds various advisory positions, including (i) Academic Working Group member for the United Nations Sustainable Stock Exchanges (SSE) Initiative since 2023; (ii) member of the Academic and Accreditation Advisory Committee member for the Securities and Futures Commission of Hong Kong since 2022, and (iii) Advisory Council member for Monetary Research at the Hong Kong Institute for Monetary and Financial Research since 2021.

Mr. Cao received his Ph.D. in Finance from the University of Texas at Austin in 2009 and his bachelor’s degree in Economics from Peking University in 2002.

Ms. GUO Yongfang (郭永芳), aged 36, has been appointed as an independent non-executive Director of the Company with effect from the [REDACTED]. She is primarily responsible for supervising and providing independent advice on the operation and management of the Group.

Since December 2021, Ms. Guo has been serving as a partner at Jingxinhe (Beijing) Private Equity Asset Management Co., Ltd.* (京新合(北京) 私募基金管理有限公司), where she is primarily responsible for the overall strategic planning and management of financing activities. From May 2020 to June 2021, she served as a deputy general manager at Yijin Digital Creative Co., Ltd.* (懿錦數字文創有限公司) (formerly known as 山水從容傳媒投資有限公司) (“Yijin Digital”), an investment company which focuses on media business and new economy companies. From November 2018 to April 2020, she assisted in managing Beijing Shangaoshuichang Equity Investment Management Co., Ltd.* (北京山高水長股權投資管理有限公司). From May 2018 to October 2018, she served as a deputy general manager at Beijing Shanshui Jinxiu Venture Capital Co., Ltd.* (北京山水錦繡創業投資有限公司), a subsidiary of Yijin Digital. From September 2017 to April 2018, she worked at Yijin Digital. From July 2014 to August 2017, Ms. Guo served as a journalist and editor at The Beijing News (新京報社), a news reporting agency, where she was primarily responsible for, reporting on finance and economics news topics.

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Ms. Guo obtained her bachelor’s degree in social work from Tangshan Normal University (唐山師範學院) in June 2011 and obtained her master’s degree in sociology from Central University of Finance and Economics (中央財經大學) in June 2014, respectively.

Save as disclosed above, each of the Directors had not held other directorships in listed companies during the three years immediately prior to the Latest Practicable Date. Except as disclosed above, there are no other matters in respect of each of our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other material matters relating to our Directors that need to be brought to the attention of our Shareholders.

In addition, each of our Directors confirms with respect to himself or herself that (i) he or she obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 17, 2022 and on February 27, 2024, respectively, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (1) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (2) he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (3) that there are no other factors that may affect his or her independence at the time of his or her appointments.

SENIOR MANAGEMENT

The following table sets out certain information regarding the senior management of the Company.

<u>Name</u>	<u>Age</u>	<u>Date of joining the Group</u>	<u>Date of appointment as a senior management member</u>	<u>Position</u>	<u>Responsibilities</u>
Dr. ZHOU Hao (周灝) . .	43	November 3, 2014	March 31, 2022	Executive Director, chief executive officer and chairman of the Board	Day-to-day management and strategic planning of our Group
Mr. LI Yan (李岩)	33	May 1, 2020	March 31, 2022	Executive Director and chief strategic officer	Overall strategic planning of our Group
Mr. SONG Yang (宋揚)	38	June 8, 2020	May 17, 2022	Executive Director and chief financial officer	Management of our Group’s business operations and overseeing financial functions of our Group
Mr. Zhou Qiang (周強)	42	September 1, 2022	January 31, 2024	Executive Director and chief technology officer	Overall strategic planning of business, and research and development of products of our Group

See “ — Board of Directors” for biographical details of Dr. Zhou, Mr. Li Yan, Mr. Song Yang and Mr. Zhou Qiang.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Ms. YU Shanling (于善玲) was appointed as our joint company secretaries on May 17, 2022. She has been the senior reporting manager since she joined our Group in February 2017, where she was primarily responsible for handling our Group’s company secretarial and corporate governance matters. She was also involved in our Group’s publicity and investor relations matters, as well as directors and shareholders coordination. Ms. Yu has been appointed as the finance director of our Group on February 4, 2024 and was subsequently promoted to senior finance director of our Group on January 9, 2025. Ms. Yu is primarily responsible for the overall financial management of the Group.

From July 2015 to February 2017, Ms. Yu served as an assistant director at the investment banking department of Guotai Jun’an Securities Co., Limited (Beijing Branch)* (國泰君安證券股份有限公司北京分公司), where she primarily provided counseling services and recommended listing applicants acting as the sponsor of listings on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統). From December 2014 to July 2015, Ms. Yu served as a senior auditor at Deloitte Touche Tohmatsu Limited, where she was primarily assigned with audit responsibilities. From September 2011 to December 2014, Ms. Yu served as a senior auditor at ShineWing Certified Public Accountants LLP, where she was primarily responsible for audit work.

Ms. Yu obtained her bachelor’s degree in management with an accounting major in June 2011 from Changchun University of Technology (長春工業大學). She obtained her PRC certified public accountant certificate from the Chinese Institute of Certified Public Accountants in August 2015, and was admitted as an associate of The Hong Kong Chartered Governance Institute in January 2025.

Ms. CHU Cheuk Ting (朱卓婷) was appointed as a joint company secretary on May 17, 2022. Ms. Chu is a manager of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients on the Stock Exchange. She has over 12 years of working experience in the fields of corporate secretarial and compliances services. Ms. Chu obtained a bachelor of arts degree from The Hong Kong Polytechnic University in December 2007 and a master of science degree in professional accounting and corporate governance from the City University of Hong Kong in July 2011. Ms. Chu is a member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

BOARD COMMITTEES

Audit Committee

Our Company has established an Audit Committee (with effect from the [REDACTED]) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three members, namely Mr. Sun Junchen, Mr. Cao Jie and Ms. Guo Yongfang. Mr. Sun Junchen has been appointed as the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of our Group, oversee the audit process, review and oversee the existing and potential risks of our Group and perform other duties and responsibilities as assigned by our Board.

Remuneration Committee

Our Company has established a Remuneration Committee (with effect from the [REDACTED]) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as

set

DIRECTORS AND SENIOR MANAGEMENT

out in Appendix C1 to the Listing Rules. The Remuneration Committee has three members, namely Ms. Guo Yongfang, Mr. Li Yan and Mr. Sun Junchen, Ms. Guo Yongfang has been appointed as the Chairwoman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for our Directors and senior management and make recommendations on employee benefit arrangement.

Nomination Committee

Our Company has established a Nomination Committee (with effect from the [REDACTED]) with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of three members, namely Dr. Zhou Hao, Mr. Sun Junchen and Ms. Guo Yongfang. Dr. Zhou Hao has been appointed as the chairman of the Nomination Committee. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment and removal of Directors of our Company.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, banking and finance, human resources, accounting and marketing. They obtained degrees in diversified majors including finance, accounting, economics and law, sociology and computer science and technology. The Board is of the view that our Board satisfies the Board Diversity Policy. In addition, our Board has a wide range of age, ranging from 30 years old to 42 years old. We will continue to apply the appointment criteria based on competence and with reference to the overall diversity policy. Our Board will also ensure that appropriate balance of gender diversity is achieved with reference to investors’ expectation, and international and local recommended best practices.

In terms of gender diversity, out of our nine Directors, three of them are female. To ensure gender diversity of our Board in the long run, our Group will continue to identify and select female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our Nomination Committee periodically in order to develop a pipeline of potential successors to our Board to promote gender diversity of our Board. In addition to the Board level, we are also committed in promoting gender diversity at the senior management and all other levels of our Group by providing career development opportunities for female staff, making available to them knowledge and skills training in support of succession planning and ensuring future gender diversity can be achieved on the Board.

The Nomination Committee is responsible for reviewing the diversity of the Board. After [REDACTED], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

DIRECTORS AND SENIOR MANAGEMENT

INTEREST OF DIRECTORS AND SENIOR MANAGEMENT

Except as disclosed in this document, as of the Latest Practicable Date, each of the Directors and senior management (i) did not hold other positions in our Group as of the Latest Practicable Date; (ii) had no other relationship with any of the Directors and senior management as of the Latest Practicable Date; and (iii) did not hold any other directorship and supervisor’s position in listed companies in the three years prior to the Latest Practicable Date. See “Appendix IV — Statutory and General Information” for the Directors’ interests in the Shares within the meaning of Part XV of the SFO.

Except as disclosed herein, none of the Directors is interested in any business, apart from our business, which competes or is likely to compete, either directly or indirectly, with our business under Rule 8.10(2) of the Listing Rules.

DEVIATION FROM CORPORATE GOVERNANCE CODE

Pursuant to code provision in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Dr. Zhou is currently serving as the chairman of the Board as well as the chief executive officer of the Company. He has been primarily involved in day-to-day management and strategic planning of our Group. Our Directors consider that vesting the roles of both the chairman of the Board and the chief executive officer of the Company in Dr. Zhou is beneficial to the business prospects of the Group by ensuring consistent leadership to the Group as well as prompt and effective decision making and implementation. In addition, our Directors believe that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors; (ii) Dr. Zhou and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consists of four executive Directors (including Dr. Zhou), two non-executive Directors and three independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both the Board, and senior management levels.

We will continue to review our corporate governance policies and compliance with the Listing Rules and will adhere to the relevant principles as set out in the Corporate Governance Code after the [REDACTED].

DIRECTORS’ REMUNERATION

The compensation and remuneration of the Directors and members of the senior management of the Company are determined by the Shareholders’ meetings and the Board as appropriate in the form of salaries and bonuses. The Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to the Company or discharging their duties in relation to the operations of the Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of the Company, the Shareholders’ meetings and the Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration.

DIRECTORS AND SENIOR MANAGEMENT

Our Company offers executive Directors and senior management members, who are also employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. The independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration of the Directors for the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025 were RMB25.1 million, RMB10.4 million, RMB48.3 million and RMB14.7 million, respectively.

The aggregate amounts of remuneration of the remaining highest paid one, one, and one individuals for the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025 were RMB4.9 million, RMB2.0 million, RMB2.1 million and RMB1.7 million, respectively.

It is estimated that remuneration equivalent to approximately RMB11.1 million in aggregate will be paid to the Directors by our Company for the year ending December 31, 2024, based on the arrangements in force as of the date of the document.

No remuneration was paid by the Company to the Directors or the five highest paid individuals as inducement to join or upon joining the Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISOR

The Company appointed Rainbow Capital (HK) Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, and the compliance advisor will advise our Company in certain circumstances including:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the [REDACTED], the possible development of a false market in the [REDACTED] or any other matters.

The terms of the appointment of the compliance advisor will commence on the [REDACTED] and end on the date when the Company distributes the annual report of its financial results for the first full financial year commencing after the [REDACTED].

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized shares and shares of our Company in issue and to be issued as fully paid or credited as fully paid prior to and immediately following the completion of the [REDACTED]:

As of the date of this document

	US\$
Authorized share capital	
500,000,000 ordinary shares of US\$0.0001 each	50,000
Issued share capital	
237,091,500 ordinary shares of US\$0.0001 each	23,709.15
262,908,500 series A preferred shares of US\$0.0001 each	26,290.85
	US\$

Immediately following the [REDACTED]

Authorized share capital	
[REDACTED] Shares of US\$0.0001 each	[REDACTED]
Shares to be issued under the [REDACTED] assuming the [REDACTED] is not exercised	
[REDACTED] Shares of US\$0.0001 each	[REDACTED]
Total issued Shares	
[REDACTED] Shares of US\$0.0001 each	[REDACTED]

ASSUMPTIONS

The above table assumes that the [REDACTED] becomes unconditional and the Shares are issued pursuant to the [REDACTED]. The above does not take into account any Shares which (i) may be allotted and issued pursuant to the exercise of the [REDACTED]; or (ii) may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors as described below.

RANKING

The [REDACTED] are ordinary shares in our share capital and rank equally with all Ordinary Shares currently in issue or to be issued and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Upon completion of the [REDACTED], our Company has only one class of shares, namely ordinary shares, each of which ranks *pari passu* with the other Shares. Pursuant to the Cayman Companies Act and the terms of the Memorandum and Articles, our Company may from time to time by ordinary resolution of shareholders (i) increase its capital; (ii) consolidate and divide its capital into shares of a larger amount; (iii) subdivide its shares into shares of a smaller amount; and (iv) cancel any shares which have not been taken. In addition, our Company may subject to the provisions of the Cayman Companies Act reduce its share capital or share capital redemption reserve by its shareholders passing a special resolution. See “Appendix III — Summary of the Articles of our Company and Cayman Companies Act — 2. Articles of Association — 2.1 Shares — (c) Alteration of capital” for details.

SHARE CAPITAL

Pursuant to the Cayman Companies Act and the terms of the Memorandum and Articles, all or any of the rights attached to the shares or any class of shares may be varied either with the consent in writing of the holders of at least three-fourths of the issued shares of that class or with the approval of a resolution passed by at least three-fourths of the votes cast by the holders of the shares of that class present and voting in person or by proxy at a general meeting of such holders. See “Appendix III — Summary of the Articles of our Company and Cayman Companies Act — 2. Articles of Association — 2.1 Shares — (b) Variation of rights of existing shares or classes of shares” for details.

Further, our Company will also hold general meetings from time to time as may be required under the Articles, a summary of which is set out in the section headed “Appendix III — Summary of the Articles of our Company and Cayman Companies Act”.

GENERAL MANDATE TO ISSUE SHARES

Subject to the conditions stated in the section headed “[REDACTED] — Conditions of the [REDACTED]” in this document, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that the aggregate nominal value of Shares allotted or agreed to be allotted by the Directors other than pursuant to:

- (a) the exercise of any subscription rights, warrants which may be issued by our Company from time to time;
- (b) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with our Articles;
- (c) a specific authority granted by the Shareholders in general meeting of our Company,

shall not exceed the aggregate of:

- (i) [REDACTED] of the total nominal value of our share capital in issue immediately following the completion of the [REDACTED]; and
- (ii) the total nominal value of our share capital repurchased by us (if any) under the general mandate to repurchase Shares referred to in the section headed “ — General Mandate to Repurchase Shares” below.

This general mandate to issue Shares will expire at the earliest of:

- (1) the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of the Shareholders in general meeting, either unconditionally or subject to condition;
- (2) the expiration of the period within which our Company’s next annual general meeting is required by the Articles or any other applicable laws to be held; or
- (3) the date on which it is varied or revoked by an ordinary resolution of our Shareholders in general meeting of our Company.

See “Appendix IV — Statutory and General Information — A. Further Information about our Group — 4. Resolutions of Our Shareholders dated [●], 2025” for further details of this general mandate.

SHARE CAPITAL

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the conditions stated in the section headed “[REDACTED] — Conditions of the [REDACTED]”, our Directors have been granted a general unconditional mandate to exercise all of our powers to repurchase Shares with a total nominal value of not more than 10% of the total nominal value of our share capital in issue immediately following the completion of the [REDACTED].

The repurchase mandate relates only to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and made in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the section headed “Appendix IV — Statutory and General Information — A. Further Information about our Group — 6. Repurchase of Shares by our Company” for further details.

This general mandate to repurchase Shares will expire at the earliest of:

- (i) the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of the Shareholders in general meeting either unconditionally or subject to condition;
- (ii) the expiration of the period within which our Company’s next annual general meeting is required by the Articles or any other applicable laws to be held; or
- (iii) the date on which it is varied or revoked by an ordinary resolution of our Shareholders in general meeting of our Company.

See “Appendix IV — Statutory and General Information — A. Further Information about our Group — 6. Repurchase of Shares by our Company” for further details of this general mandate.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and assuming that the [REDACTED] is not exercised, the following persons will have an interest or a short position in the Shares which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of shareholder	Nature of interest	Shares held as of the Latest Practicable Date ⁽¹⁾		Shares held immediately following completion of the [REDACTED] ⁽¹⁾	
		Number	Percentage	Number	Percentage
Dr. Zhou	Settlor of a discretionary trust ⁽²⁾	157,713,354	31.54%	[REDACTED]	[REDACTED]
	Interest of spouse ⁽³⁾	11,863,500	2.37%	[REDACTED]	[REDACTED]
	Interest in controlled corporations ⁽⁴⁾	56,454,146	11.29%	—	—
SJY Family Holdings . . .	Interest in controlled corporation ⁽²⁾	157,713,354	31.54%	[REDACTED]	[REDACTED]
Futu Trustee Limited . . .	Trustee ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	246,591,500	49.32%	[REDACTED]	[REDACTED]
Mars Legend	Beneficial interest ⁽²⁾	157,713,354	31.54%	[REDACTED]	[REDACTED]
Ms. Sun	Interest of spouse ⁽³⁾	214,167,500	42.83%	[REDACTED]	[REDACTED]
	Settlor of a discretionary trust ⁽⁶⁾	11,863,500	2.37%	[REDACTED]	[REDACTED]
Sunshine Life Insurance	Beneficial interest	77,116,000	15.42%	[REDACTED]	[REDACTED]
Sunshine Insurance Group Company Limited	Interest in controlled corporation ⁽⁷⁾	77,116,000	15.42%	[REDACTED]	[REDACTED]
Jupiter Rock	Beneficial interest ⁽⁴⁾	35,867,646	7.17%	[REDACTED]	[REDACTED]
East Asia Star	Beneficial interest	49,672,500	9.93%	[REDACTED]	[REDACTED]

Note:

(1) All interests stated are long positions.

(2) Mars Legend is a company incorporated in the BVI and is held as to 99% by SJY Family Holdings and 1% by Mars Digitech Limited, a company wholly owned by Dr. Zhou. SJY Family Holdings is held by the Dr. Zhou Trust, which was established by Dr. Zhou as the settlor. Futu Trustee Limited is the trustee of the Dr. Zhou Trust, and Mars Digitech Limited is the beneficiary of the Dr. Zhou Trust. The Dr. Zhou Trust was structured in preparation for Dr. Zhou’s future estate planning. Dr. Zhou is also a director of Mars Legend. As such, Dr. Zhou, Dr. Zhou Trust and SJY Family Holdings are deemed to be interested in our Shares held by Mars Legend.

(3) Dr. Zhou is the spouse of Ms. Sun. By virtue of the SFO, Dr. Zhou is deemed to be interested in the Shares in which Ms. Sun is interested in, and vice versa.

(4) Jupiter Rock and Venus Energy, our employee shareholding platforms, entered into the Voting Proxy Arrangements, pursuant to which Dr. Zhou was entitled to exercise the voting power associated with the 35,867,646 and 20,586,500 Shares held by Jupiter Rock and Venus Energy, respectively, representing approximately 7.17% and 4.12% of issued share capital of our Company as at the Latest Practicable Date. Immediately after the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Zhou will cease to exercise any voting power associated with the Shares held by Jupiter Rock and Venus Energy associated with the unvested RSUs. While the Trustee will be responsible for the administration of Jupiter Rock and Venus Energy, the Trustee is not entitled to exercise the voting rights attached to the Shares held by Jupiter Rock and Venus Energy pursuant to the relevant trust deed and the RSU Schemes. Hence, the voting rights attached to the Shares held by Jupiter Rock and Venus Energy will not be exercised until the relevant RSUs associated with such Shares are vested. Accordingly, the Company is held as to approximately [REDACTED] by Mars Legend following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

(5) The Company is held as to approximately [REDACTED] by Saturn Storm following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). Saturn Storm is held as to 99% by LY Family Holdings Limited and 1% by Saturn Tornado Limited, a company incorporated in the BVI and wholly owned by Mr. Li Yan, our executive Director. LY Family Holdings Limited is wholly

SUBSTANTIAL SHAREHOLDERS

owned by the Li Yan Trust, which was established by Mr. Li as the settlor. Futu Trustee Limited is the trustee of the Li Yan Trust, and Saturn Tornado Limited is the beneficiary of the Li Yan Trust. The Li Yan Trust is structured in preparation for Mr. Li’s future estate planning.

- (6) The Company is held as to approximately [REDACTED] by Mercury Valley following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). Mercury Valley is a company incorporated in the BVI and is held as to 99% by JHY Family Holdings Limited and 1% by Mercury Digitech Limited, a company wholly owned by Ms. Sun. JHY Family Holdings Limited is held by the Sun Jinghuai Trust, which was established by Ms. Sun as the settlor. Futu Trustee Limited is the trustee of the Sun Jinghuai Trust, and Mercury Digitech Limited is the beneficiary of the Sun Jinghuai Trust. The Sun Jinghuai Trust was structured in preparation for Ms. Sun’s future estate planning. Ms. Sun is also a director of Mercury Valley. As such, Ms. Sun, Sun Jinghuai Trust and JHY Family Holdings Limited are deemed to be interested in our Shares held by Mercury Valley.
- (7) Sunshine Life Insurance is a subsidiary of Sunshine Insurance Group Company Limited.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

Leveraging our AI and technology capabilities, we provide our business partners with matching services predominantly on our apps and to a small extent on the apps of our enterprise clients covering their entire business cycle, paving the way for their business. We intend to achieve this through our strategies. See “Business — Our Strategies” for details.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately [REDACTED] million, after deducting [REDACTED], fees and estimated expenses paid and payable by us in connection with the [REDACTED], and at the [REDACTED] of [REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of between [REDACTED] and [REDACTED] per Share).

We currently intend to apply these [REDACTED] for the following purposes:

- Approximately [REDACTED], or [REDACTED] million, will be [REDACTED] to enhance our research and development capabilities and improve our technology infrastructure for our matching services, including:
 - (i) Approximately [REDACTED], or [REDACTED] million, for enhancing our matching capabilities and service offerings, including the implementation of user segmentation based on look-alike model, the use of universal test and design of experiment methods, and a construction of marketing prediction model to refine the accuracy of our matching and maximize the efficiency of our marketing efforts, as well as building and purchasing big data storage capacity, GPU computing power or public cloud servers to support various aspects of our infrastructure to improve the efficient operation of our data platform and the speed of updating and iterating algorithm models, as well as to increase our system’s concurrency capacity, robustness and stability;
 - (ii) Approximately [REDACTED], or [REDACTED] million, for recruiting more talent in our research and development team. With the expansion of our business and apps, we plan to hire approximately 20 additional research and development personnel. Although our apps have entered stable operation, Yangxiaomie still requires continuous upgrades and improvements to deliver an enhanced shopping experience for users. We plan to implement iterative updates including search engine optimization, personalized recommendation, membership programs, data warehouse, and data security. To support these initiatives, we plan to recruit 20 R&D professionals, including three search & recommendation engineers, eight Java backend engineers, three big data engineers, three data analysts, and three security & maintenance engineers. See “Business — Research and Development — Our R&D Capabilities.” According to Frost & Sullivan, in 2024, the average annual salary of employees in information transmission, computer service and software industry in China reached RMB251.3 thousand. The average annual salary of employees in information transmission, computer service and software industry in China is expected to grow at a CAGR of 7.3% from 2025 to 2029. We primarily look for candidates who (1) are experienced engineers from renowned AI companies or academic institutions, have extensive experience in commercialization of AI technologies, and (2) are outstanding and talented fresh graduates from leading universities. See “Business — Our Strategies — Increase Investment in Research and Development Capabilities and Our Technology Infrastructure.”

FUTURE PLANS AND [REDACTED]

- Approximately [REDACTED], or [REDACTED] million, will be allocated to promote our business model, including:
 - (i) Approximately [REDACTED], or [REDACTED] million, for expanding our customer base through various traffic acquisition channels, including collaboration with social media and e-commerce platforms, allowing customers to make payments directly through these partner channels, enhancing convenience and accessibility, and increasing the likelihood of conversions by allowing customers to complete transactions within the platforms they already engage.
 - (ii) Approximately [REDACTED], or [REDACTED] million, for cooperating with upstream and downstream business partners under our matching services, including investing in diverse marketing and advertising initiatives, such as execution of online and offline brand promotion activities, engagement in strategic marketing campaigns, implementation of social fission techniques, partnerships with renowned platform operators, and collaborations with key opinion leaders to enhance visibility, increase market presence, and strengthen consumer recognition. This multifaceted approach helps promote our products and services by leveraging extensive networks and trusted influencers, fostering greater engagement and maximizing our impact in the market.

The table below sets forth the expected implementation timetable of our planned [REDACTED]:

	Year ending December 31,			
2025	2026	2027		Total
(HK\$ in millions)				

Enhancing research and development capability

and improving technology infrastructure [REDACTED] [REDACTED] [REDACTED] [REDACTED]

Promoting our operating model [REDACTED] [REDACTED] [REDACTED] [REDACTED]

We believe that our expansion plan is supported by sufficient market demand. Driven by the increasing per capita disposable income and online penetration rate, China’s online retail sales of consumer goods has increased at a faster pace from RMB7.0 trillion in 2018 to RMB12.0 trillion in 2022, representing a CAGR of 14.3%, and it is expected to reach RMB21.0 trillion in 2027, representing a CAGR of 11.8% from 2023 to 2027. The [REDACTED] allocated to research and development is expected to improve the accuracy of our search ranking and intelligent recommendation, and thereby increase the efficiency and efficacy of our matching capabilities to capture the opportunity in the online retail sales market. We plan to cooperate with other technology companies and online service providers that attracts synergistic end customer bases to enable them to facilitate goods transactions through our apps, which will further expand our end customer base.

Although the markets that we are operating in are highly fragmented and competitive, the increasing demand for online marketplace for consumption industry in China paved a way for us to capture the market demand of the growing markets. As we aim to continue to help traditional enterprises digitalize the operations of their business, the development of sub-industries related to consumption, such as wholesale and retail, accommodation and catering, presents significant opportunities for us to help them digitalize their businesses. According to Frost & Sullivan, driven by the trend of “consumer spending upgrade” (消費升級) and boom in “new consumer spending” (新消費), the urban consumption infrastructure market in China grew from RMB24.4 billion in 2020 to RMB57.5 billion in 2024, with a CAGR of 24.0%, and is expected to further grow to RMB126.5 billion in 2029, representing a CAGR of 15.9% from 2025 to 2029. Our proprietary local consumption apps act as urban consumption infrastructures, connecting offline business partners with online

FUTURE PLANS AND [REDACTED]

traffic flows to attract and enhance local consumption demand. To seize this growing business opportunity, we plan to market and promote our brand by expanding our on-the-ground sales team to bring more merchants online through our apps. In addition, the development of other segments of the tertiary industry presents opportunities for us to capture the matching demands of marketplace suppliers who provide goods and services. The value-added of the entire tertiary industry of China increased from RMB55.4 trillion in 2020 to RMB76.6 trillion in 2024, representing a CAGR of 8.4%. Driven by the growth of the macro-economy, the value-added of tertiary industry in China is expected to reach RMB106.7 trillion in 2029, representing a CAGR of 6.7% from 2025 to 2029. Through building and expanding our proprietary local consumption apps targeting local economies, we can help marketplace suppliers in traditional industries digitalize their operational process and establish an online presence. We have built and aim to build platforms that can share technologies and resources with each other, such as Yangxiaomie and Consumption Guide, which we can use to support and develop our own apps and extend our services to enterprise clients which do not have their own apps or the specific app that promotes consumption. As we help more business partners engage their end customers through our services we will attract more interested end customers to our apps, increasing the efficacy of our services and allowing us to expand our offerings. Such expansion can further help our other business partners expand their end customer base, reinforcing our growth potential through stronger connections between our business partners and their end customers, further reducing our costs to generate traffic flow. We have and are planning to cooperate with local agencies, such as metro stations, to expand our Consumption Guide’s end customers base and with local resources, we can further attract local end customers and realize our strategy to vitalize local economies. Leveraging our established reputation, industry know-how and the mobility of online traffic across our different apps, we can expand our business partner base to further accelerate our growth to capture the market demand. In addition, we intend to continue to compete with other e-commerce platforms as we operate our apps to facilitate sales of goods and services by targeting a specific group of end customers rather than creating a mega-sized e-commerce platform. We plan to further improve our algorithms to better serve and invigorate our targeted end customers to further enhance the recognition we have entrenched in the end customers. With the look-alike algorithms, we can efficiently analyze and understand the consumption needs and shopping preferences of the end customers and accurately market goods and/or services to them to increase end customers stickiness and conversion rate. We also plan to broaden our reach to end customer base by deepening our cooperation with enterprise clients to channel online traffic to and from their apps or websites in order to accumulate and expand our end customer base.

If the [REDACTED] is set at the high point or the low point of the indicative [REDACTED] range (assuming the [REDACTED] is not exercised), the [REDACTED] will increase by approximately [REDACTED] million or decrease by approximately [REDACTED] million, respectively. We will apply the additional or reduced [REDACTED] to the above purposes on a pro-rata basis. If the [REDACTED] is exercised in full, the [REDACTED] we will receive will be approximately [REDACTED] million, at the [REDACTED] of [REDACTED] per share (being the mid-point of the indicative [REDACTED] range).

If any part of our development plan does not proceed as planned for reasons such as changes in governmental policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may [REDACTED] the [REDACTED] from the [REDACTED].

If the [REDACTED] of the [REDACTED] are not immediately applied to the above purposes, we will only deposit those [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance (or the applicable laws and regulations in other jurisdictions)).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

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[REDACTED]

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[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

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



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF QUANTGROUP HOLDING LIMITED, AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Quantgroup Holding Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I - 4 to I - [●], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023, 2024 and 31 May 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2022, 2023, 2024 and the five months ended 31 May 2025 (the “Track Record Period”), and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I - 4 to I - [●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the Document) in connection with the [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on

the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at 31 December 2022, 2023, 2024 and 31 May 2025, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the five months ended 31 May 2024 and other explanatory information (the “Stub Period Corresponding Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I - 4 have been made.

Dividends

We refer to Note 26(c) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

APPENDIX I

ACCOUNTANTS’ REPORT

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its incorporation.

[●]

Certified Public Accountants

8th Floor, Prince’s Building

10 Chater Road

Central, Hong Kong SAR

[●]

HISTORICAL FINANCIAL INFORMATION

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG Huazhen LLP (畢馬威華振會計師事務所(特殊普通合伙)) in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

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

APPENDIX I

ACCOUNTANTS’ REPORT

Consolidated statements of profit or loss and other comprehensive income

(Expressed in Renminbi)

	Note	Years ended 31 December			Five months ended 31 May	
		2022	2023	2024	2024	2025
		RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Revenue	4	475,285	529,669	993,029	299,851	414,140
Cost of sales		(162,528)	(162,014)	(31,138)	(11,085)	(13,794)
Gross profit		312,757	367,655	961,891	288,766	400,346
Other income or loss, net	5	3,315	4,517	7,285	152	264
Research and development expenses		(60,691)	(46,916)	(37,423)	(14,780)	(21,859)
General and administrative expenses		(115,053)	(68,034)	(114,572)	(48,285)	(48,573)
Sales and marketing expenses		(47,921)	(109,447)	(470,348)	(111,358)	(97,365)
Impairment (loss)/gain on financial assets ...	6(c)	(9,436)	(2,635)	5,280	(3,731)	(1,722)
Profit from operations		82,971	145,140	352,113	110,764	231,091
Net finance costs	6(a)	(46)	(814)	(1,573)	(732)	(625)
Changes in the carrying amount of financial instruments with preferred rights	24(b)	(84,083)	(141,561)	(155,718)	(63,084)	(69,392)
Changes in fair value of financial assets measured at fair value through profit or loss		(123)	(13)	—	—	—
(Loss)/profit before taxation		(1,281)	2,752	194,822	46,948	161,074
Income tax credit/(expense)	7	998	891	(47,694)	(12,257)	(35,443)
(Loss)/profit for the year/period		<u>(283)</u>	<u>3,643</u>	<u>147,128</u>	<u>34,691</u>	<u>125,631</u>

The accompanying notes form part of this Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Consolidated statements of profit or loss and other comprehensive income (continued)

(Expressed in Renminbi)

	Note	Years ended 31 December			Five months ended 31 May	
		2022	2023	2024	2024	2025
		RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
(Loss)/profit for the year/period		(283)	3,643	147,128	34,691	125,631
Other comprehensive income for the year/period						
Items that will not be reclassified to profit or loss:						
Exchange difference on translation into presentation currency		(4)	3	(7)	(10)	(68)
Financial assets at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		10,199	—	—	—	—
Item that may be reclassified to profit or loss:						
Exchange difference on translation into presentation currency		—	—	30	—	251
Total comprehensive income for the year/period		<u>9,912</u>	<u>3,646</u>	<u>147,151</u>	<u>34,681</u>	<u>125,814</u>
(Loss)/profit for the year/period attributable to:						
Equity shareholders of the Company . . .		(281)	3,643	147,128	34,691	125,631
Non-controlling interests		(2)	—	—	—	—
		<u>(283)</u>	<u>3,643</u>	<u>147,128</u>	<u>34,691</u>	<u>125,631</u>
Total comprehensive income for the year/period attributable to:						
Equity shareholders of the Company . . .		9,914	3,646	147,151	34,681	125,814
Non-controlling interests		(2)	—	—	—	—
		<u>9,912</u>	<u>3,646</u>	<u>147,151</u>	<u>34,681</u>	<u>125,814</u>
(Loss)/ earnings per share	10					
Basic and diluted (RMB cents)		<u>(0.06)</u>	<u>0.73</u>	<u>29.43</u>	<u>6.94</u>	<u>25.13</u>

The accompanying notes form part of this Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Consolidated statements of financial position

(Expressed in Renminbi)

	Note	As at 31 December			As at 31 May
		2022	2023	2024	2025
		RMB’000	RMB’000	RMB’000	RMB’000
Non-current assets					
Property, plant and equipment	11	1,666	1,266	785	696
Intangible assets	12	1,694	2,135	2,317	2,194
Right-of-use assets	13	5,436	21,678	16,773	14,901
Financial assets at fair value through profit or loss		13	—	—	—
Deferred tax assets	14	1,003	1,903	2,505	3,238
Other non-current assets	15	33,761	—	—	—
		43,573	26,982	22,380	21,029
Current assets					
Prepaid expenses and other receivables	17	20,104	28,081	26,560	42,711
Trade receivables	16	258,227	443,254	638,416	743,823
Restricted cash	18(a)	3,038	—	—	—
Cash and cash equivalents	18(a)	77,180	110,989	313,936	428,050
Other current assets	15	—	4,761	—	—
		358,549	587,085	978,912	1,214,584
Current liabilities					
Trade payables	19	30,434	31,886	62,285	39,558
Contract liabilities	21	18,877	39,642	5,012	38,763
Bank and other borrowings	22	—	23,000	18,000	36,000
Lease liabilities	23	4,386	4,352	4,457	4,482
Financial instruments with preferred rights	24	1,415,614	1,557,175	1,712,893	1,782,285
Income tax payables	14	5	8	33,663	31,482
Accrued expenses and other current liabilities	20	21,933	29,927	53,741	55,486
Provision		111	—	—	—
		1,491,360	1,685,990	1,890,051	1,988,056
Net current liabilities		(1,132,811)	(1,098,905)	(911,139)	(773,472)
Total assets less current liabilities		(1,089,238)	(1,071,923)	(888,759)	(752,443)
Non-current liabilities					
Bank and other borrowings	22	—	2,835	7,665	7,729
Lease liabilities	23	141	18,257	12,492	11,806
NET LIABILITIES		(1,089,379)	(1,093,015)	(908,916)	(771,978)
Capital and reserves					
Share capital	26(a)	350	350	350	350
Reserves	26(b)	(1,089,729)	(1,093,365)	(909,266)	(772,328)
TOTAL DEFICIT		(1,089,379)	(1,093,015)	(908,916)	(771,978)

The accompanying notes form part of this Historical Financial Information.

APPENDIX I

ACCOUNTANTS' REPORT

Statements of financial position of the Company

(Expressed in Renminbi)

	Note	As at 31 December			As at 31 May
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-Current asset					
Investment in a subsidiary	1	—	—	72	72
		—	—	72	72
Current assets					
Cash and cash equivalents		95	15	42	30
Prepaid expenses and other receivables		1,021	1,041	3,266	3,457
		1,116	1,056	3,308	3,487
Current liabilities					
Accrued expenses and other current liabilities	20	19,949	27,630	47,249	50,134
Financial instruments with preferred rights	24	1,415,614	1,557,175	1,712,893	1,782,285
		1,435,563	1,584,805	1,760,142	1,832,419
Net current liabilities		(1,434,447)	(1,583,749)	(1,756,834)	(1,828,932)
Total assets less current liabilities		(1,434,447)	(1,583,749)	(1,756,762)	(1,828,860)
NET LIABILITIES		(1,434,447)	(1,583,749)	(1,756,762)	(1,828,860)
Capital and reserves					
Share capital	26(a)	350	350	350	350
Reserves	26(b)	(1,434,797)	(1,584,099)	(1,757,112)	(1,829,210)
TOTAL DEFICIT		(1,434,447)	(1,583,749)	(1,756,762)	(1,828,860)

The accompanying notes form part of this Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Consolidated statements of changes in equity

(Expressed in Renminbi)

Attributable to equity shareholders of the Company										
	Note	Share capital	Capital reserve	Fair value reserve (non-recycling)	Other reserve	Exchange reserve	Retained earnings	Total	Non-controlling interests	Total deficit
		RMB'000 (Note 26(a))	RMB'000 (Note 26(b))	RMB'000 (Note 26(b))	RMB'000 (Note 26(b))	RMB'000 (Note 26(b))	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2022		—	175,000	(10,199)	23,176	—	28,088	216,065	(3)	216,062
Changes in equity for 2022:										
Loss and other comprehensive income for the year		—	—	10,199	—	(4)	(281)	9,914	(2)	9,912
Recognition of financial instruments with preferred rights	24(b)	—	—	—	(1,331,531)	—	—	(1,331,531)	—	(1,331,531)
Issuance of shares	26(a)	350	—	—	—	—	—	350	—	350
Share-based compensation	25	—	—	—	15,823	—	—	15,823	—	15,823
Disposal of subsidiaries		—	—	—	—	—	—	—	5	5
Balance at 31 December 2022 and 1 January 2023		350	175,000	—	(1,292,532)	(4)	27,807	(1,089,379)	—	(1,089,379)
Changes in equity for 2023:										
Profit and other comprehensive income for the year		—	—	—	—	3	3,643	3,646	—	3,646
Share-based compensation	25	—	—	—	(7,282)	—	—	(7,282)	—	(7,282)
Balance at 31 December 2023 and 1 January 2024		350	175,000	—	(1,299,814)	(1)	31,450	(1,093,015)	—	(1,093,015)
Changes in equity for 2024:										
Profit and other comprehensive income for the year		—	—	—	—	23	147,128	147,151	—	147,151
Share-based compensation	25	—	—	—	36,948	—	—	36,948	—	36,948
Balance at 31 December 2024		350	175,000	—	(1,262,866)	22	178,578	(908,916)	—	(908,916)

The accompanying notes form part of this Historical Financial Information.

APPENDIX I

ACCOUNTANTS' REPORT

Consolidated statements of changes in equity (continued)

(Expressed in Renminbi)

Note	Attributable to equity shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Capital reserve	Fair value reserve (non-recycling)	Other reserve	Exchange reserve	Retained earnings	Total		
	RMB'000 (Note 26(a))	RMB'000 (Note 26(b))	RMB'000 (Note 26(b))	RMB'000 (Note 26(b))	RMB'000 (Note 26(b))	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 31 December 2024 and 1 January 2025	350	175,000	—	(1,262,866)	22	178,578	(908,916)	—	(908,916)
Changes in equity for the five months ended 31 May 2025:									
Profit and other comprehensive income for the period	—	—	—	—	183	125,631	125,814	—	125,814
Share-based compensation	25	—	—	11,124	—	—	11,124	—	11,124
Balance at 31 May 2025	350	175,000	—	(1,251,742)	205	304,209	(771,978)	—	(771,978)

Note	Attributable to equity shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Capital reserve	Fair value reserve (non-recycling)	Other reserve	Exchange reserve	Retained earnings	Total		
	RMB'000 (Note 26(a))	RMB'000 (Note 26(b))	RMB'000 (Note 26(b))	RMB'000 (Note 26(b))	RMB'000 (Note 26(b))	RMB'000	RMB'000	RMB'000	RMB'000
(unaudited) Balance at 31 December 2023 and 1 January 2024	350	175,000	—	(1,299,814)	(1)	31,450	(1,093,015)	—	(1,093,015)
Changes in equity for the five months ended 31 May 2024:									
Profit and other comprehensive income for the period	—	—	—	—	(10)	34,691	34,681	—	34,681
Share-based compensation	25	—	—	17,343	—	—	17,343	—	17,343
Balance at 31 May 2024	350	175,000	—	(1,282,471)	(11)	66,141	(1,040,991)	—	(1,040,991)

The accompanying notes form part of this Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Consolidated statements of cash flows

(Expressed in Renminbi)

		Years ended 31 December			Five months ended 31 May	
	Note	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cash flows from operating activities						
Operating activities						
(Loss)/profit before taxation		(1,281)	2,752	194,822	46,948	161,074
Adjustments for:						
Depreciation of property, plant and equipment	11	1,298	618	522	254	102
Amortisation of intangible assets	12	155	230	305	118	132
Depreciation of right-of-use assets	13	10,646	6,925	4,566	1,885	1,872
Impairment loss/(gain) on financial assets	6(c)	9,436	2,635	(5,280)	3,731	1,722
Finance costs	6(a)	163	874	1,587	745	674
Changes in fair value of financial assets measured at fair value through profit or loss		123	13	—	—	—
Changes in financial instruments with preferred rights	24	84,083	141,561	155,718	63,084	69,392
Share-based compensation	25	15,823	(7,282)	36,948	17,343	11,124
Dividends received from financial assets at fair value through other comprehensive income		(2,657)	—	—	—	—
Gain on derecognition of long-term payables	5	—	(176)	(29)	—	(24)
Gain on disposals of subsidiaries	29	(438)	—	—	—	—
Gain on compensations received	15(ii)	—	(1,450)	—	—	—
Loss on provision made for a pending litigation		111	—	—	—	—
Loss on disposals of property, plant and equipment		72	—	3	3	—
Exchange (gain)/loss	5	—	(6)	51	(3)	247
Changes in working capital						
(Increase)/decrease in restricted cash		(3,038)	3,038	—	—	—
Increase in trade receivables		(98,324)	(187,651)	(189,880)	(232,696)	(107,129)
(Increase)/decrease in prepaid expenses and other current assets		(13,396)	(7,893)	2,758	(11,043)	(15,939)
Decrease in inventories		40	—	—	—	—
Increase/(decrease) in trade payables		8,132	1,630	29,602	14,798	(22,703)
Increase/(decrease) in contract liabilities		6,574	20,765	(34,630)	2,303	33,751
Decrease in provisions		—	(111)	—	—	—
(Decrease)/increase in accrued expenses and other liabilities		(16,759)	8,049	23,759	18,068	1,745

The accompanying notes form part of this Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Consolidated statements of cash flows (continued)

(Expressed in Renminbi)

	Note	Years ended 31 December			Five months ended 31 May	
		2022 RMB’000	2023 RMB’000	2024 RMB’000	2024 RMB’000 (unaudited)	2025 RMB’000
Cash generated from/(used in)						
operating activities		763	(15,479)	220,822	(74,462)	136,040
Income tax paid	14(a)	—	(6)	(14,641)	(8)	(38,357)
Net cash generated from/(used in)						
operating activities		763	(15,485)	206,181	(74,470)	97,683
Cash flows from investing activities						
Payments for additions to property, plant and equipment	11	(355)	(230)	(46)	—	(13)
Proceeds from sale of property, plant and equipment	11	6	12	2	2	—
Prepayments for acquisition of properties	15(ii)	(29,000)	—	—	—	—
Recovering prepayments for acquisition of properties and compensations	15(ii)	—	30,450	—	—	—
Payments for additions to intangible assets	12	(1,414)	(671)	(487)	(368)	(9)
Dividends received from financial assets at fair value through other comprehensive income		2,657	—	—	—	—
Recovering loans receivable from third parties		4,000	—	—	—	—
Proceeds from disposal of financial assets at fair value through other comprehensive income		51,000	—	—	—	—
New loans to related parties		(160)	—	—	—	—
Loan principals received from related parties		160	—	—	—	—
Interest received		1,028	—	—	—	—
Proceeds from disposal of subsidiaries, net of cash disposed	29	579	—	—	—	—
Proceeds from disposal of a subsidiary in previous year	15	10,000	—	4,761	4,761	—
Net cash generated from/(used in)						
investing activities		38,501	29,561	4,230	4,395	(22)

The accompanying notes form part of this Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Consolidated statements of cash flows (continued)

(Expressed in Renminbi)

		Years ended 31 December			Five months ended 31 May	
	Note	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cash flows from financing activities						
Proceeds from issuance of shares		137	211	—	—	—
Proceeds from bank and other borrowings	18(b)	—	25,835	25,830	4,903	18,064
Payment of bank and other borrowings	18(b)	—	—	(26,000)	(5,500)	—
Interest paid	18(b)	—	(234)	(687)	(353)	(359)
Guarantee fee paid	18(b)	—	(69)	—	—	—
Capital elements of lease rentals paid	18(b)	(9,956)	(5,086)	(5,293)	(1,499)	(661)
Interest elements of lease rentals paid	18(b)	(163)	(571)	(900)	(392)	(315)
[REDACTED] paid		(585)	(305)	(401)	(94)	(190)
Net cash (used in)/generated from financing activities		<u>(10,567)</u>	<u>19,781</u>	<u>(7,451)</u>	<u>(2,935)</u>	<u>16,539</u>
Net increase/(decrease) in cash and cash equivalents		28,697	33,857	202,960	(73,010)	114,200
Cash and cash equivalents at the beginning of the year/period		48,483	77,180	110,989	110,989	313,936
Effect of foreign exchange rate changes		<u>—</u>	<u>(48)</u>	<u>(13)</u>	<u>(41)</u>	<u>(86)</u>
Cash and cash equivalents at the end of the year/period		18(a) 77,180	110,989	313,936	37,938	428,050

The accompanying notes form part of this Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in Renminbi)

1 Basis of preparation and presentation of the Historical Financial Information

Quantgroup Holding Limited (the “Company”) was incorporated on 31 March 2022 in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company is an investment holding company and has not carried on any business since the date of its incorporation save for the Group’s reorganisation below. The Company and its subsidiaries (together, the “Group”) are principally engaged in operation of online marketplaces and other business including advertisement placement and provision of matching services for financial institutions (the “[REDACTED] Business”).

As of 31 May 2025 and the report date, the Company’s subsidiaries are as follows:

<u>Company names</u>	<u>Place and date of incorporation</u>	<u>Particulars of registered/issued and paid-up capital</u>	<u>Held by the Company</u>	<u>Held by the subsidiary</u>
Directly held				
Quantgroup Technology HK Limited ⁽ⁱⁱ⁾ (量化派 (香港) 有限公司)	Hong Kong SAR, 20 April 2022	Issued: HKD1 paid-up: nil	100%	—
QUANTGROUP TECHNOLOGY PTE. LTD. ⁽ⁱⁱ⁾	Singapore, 27 June 2024	Registered: USD10,000 paid-up: USD10,000	100%	—
Indirectly held				
Hangzhou Quant Group Technology Co., Ltd. (杭州量化派科技有限公司) ⁽ⁱ⁾⁽ⁱⁱ⁾	Hangzhou, 05 May 2022	Registered: USD200,000 paid-up: nil	—	100%
Beijing Huijucheng Technology Development Co., Ltd. (北京惠聚城科技发展有限公司) ⁽ⁱ⁾⁽ⁱⁱ⁾	Beijing, 30 May 2022	Registered: RMB1,000,000 paid-up: nil	—	100%
Hainan Quant Technology Co., Ltd. (海南量化派科技有限公司) ⁽ⁱ⁾⁽ⁱⁱ⁾	Hainan, 28 June 2023	Registered: RMB1,000,000 paid-up: nil	—	100%
Quantgroup Technology Inc ⁽ⁱⁱ⁾	California, 03 March 2025	Registered: USD100,000 paid-up: USD100,000	—	100%
Held through Contractual Arrangement				
Quant Digit Tech Co., Ltd. (量子數科科技有限公司) ⁽ⁱ⁾⁽ⁱⁱ⁾	Beijing, 03 November 2014	Registered: RMB200,000,000 paid-up: RMB175,000,000	—	100%
Beijing Unidance Intelligent Information Technology Co., Ltd. (北京宇動智能信息技術有限公司) ⁽ⁱ⁾⁽ⁱⁱ⁾	Beijing, 28 March 2017	Registered: RMB200,000,000 paid-up: RMB200,000,000	—	100%

Note:

- (i) These companies are limited liability companies established in the PRC. The English translation of the names is for reference only. The official names of these entities are in Chinese.
- (ii) There are no statutory financial statements prepared for all these companies during the Track Record Period.

Prior to the incorporation of the Company and the completion of the reorganisation as described below, the principal business of the Group has been operated under Quant Digit Tech Co., Ltd. (量子數科科技有限公司, “Liangzi Data”), and its subsidiaries which are controlled by Mr. Zhou Hao.

To rationalise the corporate structure in preparing for the [REDACTED] of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Group underwent a reorganisation (the “Reorganisation”) to establish the Company as the ultimate holding company of the companies comprising the Group. See “History, Reorganisation and Corporate Structure” in the Document for further details.

As certain business conducted by Liangzi Data and its subsidiary is subject to foreign investment restrictions under the relevant PRC laws and regulations, as part of the Reorganisation, Hangzhou Quant Group Technology Co., Ltd. (the “WFOE”), an indirectly wholly-owned subsidiary of the Company, entered into a series of contractual arrangements (the “Contractual Arrangements”) with Liangzi Data and its registered shareholders to operate the [REDACTED] Business.

The equity interests of Liangzi Data (the “VIE”) are legally held by a company who acts as registered owner of the VIE on behalf of the WFOE. The contractual agreements including an exclusive business cooperation agreement, an exclusive option agreement, an equity pledge agreement and a power of attorney. Pursuant to the Contractual Agreements, the WFOE has the power to direct activities that most significantly impact the VIE and the VIE’s subsidiaries, including appointing key management, setting up operating policies, exerting financial controls and transferring profit or assets out of the VIE and the VIE’s subsidiaries at its discretion. The WFOE considers that they also have the right to substantially all of the economic benefits of the VIE and have an exclusive option to purchase all or part of the equity interests in the VIE when and to the extent permitted by the PRC laws and regulations at the minimum price possible.

The directors of the Company have determined that the Contractual Arrangements are in compliance with the PRC laws and regulations and are legally enforceable.

Upon the completion of the Reorganisation on 23 June 2022, the Company became the holding company of the companies now comprising the Group. The Reorganisation principally involved interspersing the Company and the WFOE, which are newly formed entities with no substantive operations, as the new holding companies of the [REDACTED] Business. There were no changes in the economic substance of the ownership and the [REDACTED] Businesses before and after the Reorganisation. Accordingly, the Historical Financial Information has been prepared and presented as a continuation of the financial information of the [REDACTED] Businesses with the assets and liabilities recognised and measured at their historical carrying amounts prior to the Reorganisation. Intra-group balances, transactions and unrealised gain/loss on intra-group transactions are eliminated in full in preparing the Historical Financial Information.

The consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the Track Record Period as set out in this report include the financial performance and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the Track Record Period, or since their respective dates of incorporation or establishment, whichever is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2022, 2023, 2024 and as at 31 May 2025 as set out in this report have been prepared to present the financial position of the companies now comprising the Group as of those dates as if the current group structure had been in existence as of the respective dates, taking into account the respective dates of incorporation or establishment, where applicable.

All companies now comprising the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policies adopted are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has consistently applied all applicable new and revised IFRS Accounting Standards throughout the Track Record Period. The Group has not adopted any new accounting standards or amendments issued but not yet effective for the accounting period beginning 1 January 2025 which are set out in Note 32.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information, unless otherwise stated.

2 Material accounting policies

(a) Going concern

Notwithstanding that the Group recorded net current liabilities of RMB773,472,000 and net liabilities of RMB771,978,000 as at 31 May 2025, which is primarily due to the shareholders’ agreement entered among the Company, certain members of the Group and each of the Company’s shareholders, under which the Company was given an obligation to purchase the Company’s equity instruments for cash or another financial assets upon certain redemption or liquidation events (the “Obligation”). The Obligation is recognised as financial liabilities with amount of RMB1,782,285,000 as at 31 May 2025. The Historical Financial Information has been prepared on a going concern basis based on the following:

- the Obligation would be terminated upon the [REDACTED] of the Company’s shares on the Main Board of the Stock Exchange (the “[REDACTED]”) and the financial liabilities will be converted into equity;
- the directors of the Company do not expect that payment for the Obligation would occur within the next twelve months from 31 May 2025; and
- taken the above into consideration, the directors of the Company have reviewed the Group’s cash flow projections, which cover a period of twelve months from the date of this report and are of the opinion that the Group will have sufficient working capital to meet its liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from the date of this report.

Accordingly, the directors of the Company are of the opinion that no material uncertainty exists for the Historical Financial Information to be prepared on a going concern basis.

(b) Basis of measurement

The Historical Financial Information is presented in Renminbi (“RMB”), which is the functional currency of the Group’s subsidiaries established in the Chinese Mainland.

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss measured at fair value as explained in Note 2(f).

(c) Use of estimates and judgments

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(d) Subsidiaries, non-controlling interests and associates

(i) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the Historical Financial Information from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Historical Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net identifiable assets.

Non-controlling interests are presented in the consolidated statements of financial position within equity, separately from equity attributable to the equity holders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statements of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity holders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statements of financial position in accordance with Note 2(o) depending on the nature of the liability.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

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When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associate.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group’s share of the acquisition-date fair values of the investee’s identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group’s equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group’s share of the investee’s net assets and any impairment loss relating to the investment (see Notes 2(d) and 2(j)(ii)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group’s share of the post-acquisition, post-tax results of the investees and any impairment losses for the year and the Group’s share of the post-acquisition post-tax items of the investees’ other comprehensive income are recognised in the consolidated statements of profit or loss and other comprehensive income.

When the Group’s share of losses exceeds its interest in the associate, the Group’s interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group’s interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group’s net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see Note 2(j)(i)).

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(f)).

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(e) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group’s previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree’s identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(j)(ii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(f) Other investments in debt and equity securities

The Group’s policies for investments in debt and equity securities, other than investments in subsidiaries and associates, are set out below:

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investments. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 27. These investments are subsequently accounted for as follows, depending on their classification:

(i) Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- fair value through other comprehensive income (FVOCI) — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- fair value through profit or loss (FVPL) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

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(ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in Note 2(s)(ii).

(g) *Property, plant and equipment and right-of-use assets*

Property, plant and equipment and right-of-use assets are stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives are as follows:

— Right-of-use assets	Over the lease term
— Office equipment	3 - 5 years
— Electronic equipment	3 - 5 years
— Leasehold improvements	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(h) *Intangible assets (other than goodwill)*

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(j)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets’ estimated useful lives. The following intangible asset with finite useful life is amortised from the date it is available for use and its estimated useful life is as follows:

— Software	5 to 10 years
— Patent and trademark	10 to 20 years
— Domain name	10 years

The estimates and associated assumptions of useful life determined by the Group are based on technical and commercial obsolescence, legal or contractual limits on the use of the asset and other relevant factors.

Both the period and method of amortisation are reviewed annually.

The software useful lives are determined to be the shorter of the period of contractual rights or estimated period during which such software can bring economic benefits to the Group considering the different purposes, usage of the software and technological obsolescence.

The trademark and domain name useful lives are determined based on the period of validity of patent protected by the relevant laws after considering the period of the economic benefits to the Group and estimates of useful lives of similar assets.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(g) and 2(j)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way,

a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and presents lease liabilities separately in the consolidated statement of financial position.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit loss (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables).

Other financial assets measured at fair value, including debt and securities measured at FVPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument’s external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with Note 2(s)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less allowance for impairment losses) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;

- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets;
- goodwill; and
- investments in subsidiaries in the Company’s statement of financial position.

If any such indication exists, the asset’s recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset’s carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(k) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(s)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(j)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see Note 2(l)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(s)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(l)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(s)).

(l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see Note 2(k)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see Note 2(j)(i)).

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in Note 2(j)(i).

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities, trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Refund liabilities arising from rights of returns and volume rebates are recognised in accordance with the policy set out in Note 2(s)(i).

(o) *Financial instruments with preferred rights*

The Company, certain members of the Group and each of the Company’s shareholders have entered into a shareholders’ agreement on 9 May 2022 (the “Shareholders’ Agreement”, details are described in the section headed “History, Reorganisation and Corporate Structure” in the Document), which mirrors the shareholders’ agreement entered into among Liangkebang and Liangkebang’s shareholders. Certain shareholders (the “Preference Investors”) had the right to require the Group to redeem all of the investments held by the Preference Investors or to liquidate preferentially at a predetermined amount upon certain redemption or liquidation events, which are not all within the control of the Group.

The Group’s contractual obligation to deliver cash or other financial assets to the Preference Investors upon events that are beyond the control of the Group gives rise to a financial liability.

The financial liabilities are measured at the present value of the redemption amount. Any changes in the carrying amount of the financial liabilities are recorded in profit or loss as “changes in the carrying amounts of financial instruments with preferred rights”.

(p) *Interest-bearing borrowings*

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(v).

(q) *Employee benefits*

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payment

A share-based compensation is classified as either an equity-settled share-based compensation or a cash-settled share-based compensation. The term “equity-settled share-based compensation” refers to a transaction in which the Group grants share options or restricted share units (“RSUs”) (collectively the “equity instruments”) as a consideration in return for services rendered or a transaction in which the Group has no obligation to settle the share-based compensation, or the awards granted are self-owned equity instruments of its’ shareholder.

The fair value of the equity instruments granted to employees is recognised as an employee cost with a corresponding increase in a other reserve within equity. The fair value is measured at grant date using the binomial option-pricing model, taking into account the terms and conditions upon which the equity instruments were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the equity instruments, the total estimated fair value of the equity instruments is spread over the vesting period, taking into account the probability that the equity instruments will vest.

During the vesting period, the number of equity instruments that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the other reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of equity instruments that vest (with a corresponding adjustment to the other reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company’s shares. The equity amount is recognised in the other reserve until either the option is exercised (when it is included in the amount recognised in share capital and share premium for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the end of the Track Record Period, then they are discounted to their present value.

(r) *Income tax*

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group’s assets under leases in the ordinary course of the Group’s business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group’s revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

(a) Revenue from operation of online marketplaces

The Group’s revenue generated from operation of online marketplaces is derived from facilitating transactions of goods on its E-commerce platform, Yangxiaomie and matching automobile retailers and merchants of local lifestyle goods and services with end customers that meet their target customer criteria to promote conversion of online traffic to offline store visits on its online marketplace, Consumption Guide. Accordingly, the details for the services are as below:

- Revenue from Yangxiaomie

During the Track Record Period, the Group’s revenue generated from Yangxiaomie is derived from selling products through its Ecommerce platforms. The Group recognises revenue from the sale of goods at a point in time when the status of relevant purchase orders is presented as completed or when there is no unfulfilled obligation that affect the customer’s acceptance of the products. The transaction price received by the Group is recognised as a contract liability until all revenue recognition criteria are met.

Under IFRS 15 *Revenue from Contracts with Customers*, for revenue from the sale of goods and the related costs, the Group needs to evaluate whether it is appropriate to recognise these amounts in the gross amount or as a commission or fee equal to the net amount of consideration retained by the Group. If the Group is a principal that controls the goods or service before it is transferred to a customer, it should recognise revenue equal to the gross amount of consideration to which it expects to be entitled in exchange for the specified goods or service transferred. If the Group is an agent that is primarily responsible for assisting another party with providing the specified goods or service, the Group should recognise revenue in an amount equal to the fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration, or the previously established amount or proportion of the amount. The following conditions indicate that an entity controls the goods before it is transferred to a customer: the entity is primarily responsible for fulfilling the promise to provide the goods to the customer; the entity has inventory risk; and the entity has discretion in establishing the price for the specified goods.

The Group provides a wide range of products through its E-commerce platform and its process of E-commerce transactions and services are described as below: i) the Group enters into supplying framework agreements with those who are product and service providers; ii) the Group has discretion in establishing the price for the products based on the pricing range agreed in relevant supplying framework agreements; iii) these product and service providers directly deliver the goods to the end customers based on the purchase order information generated from the E-commerce platform and the Group does not take any inventory risk legally; and iv) as for post-sale services, these product and service providers are fully responsible for dealing with the customers who submit the post-sale service request through the E-commerce platform. The Group reports the amount received from the end customers and the amounts paid to these product and service providers related to these transactions on a net basis as the Group is not primarily obligated in a transaction, does not bear the inventory risk and does not control the goods before it is transferred to the end customers, acting as an agent.

In the second quarter of 2024, the Group started to charge fees from platform open partnership (the “POP”) store operators for goods transactions completed on Yangxiaomie. Online platform service fees charged to the POP store operators, primarily determined as a percentage based on the value of

merchandise sold by the POP store operators, are recognised as commission revenue upon the completion of the underlying goods provided by the POP store operators to the end customers.

- Revenue from Consumption Guide

In the second quarter of 2022, the Group started operating Consumption Guide, which is an app that aggregates all proprietary local consumption apps, allowing end customers to access their desired apps based on their physical location. These proprietary local consumption apps facilitate transactions for goods and services for automobile retailers and merchants of local lifestyle, including distributing consumption or discount coupons that can be used on these apps and through offline channels.

Commission fees charged to automobile retailers and merchants of local lifestyle goods and services, primarily determined as a percentage of respectively relevant transaction value of the goods and/or services, are recognised as commission revenue upon the completion of the underlying goods or services provided to the end customers.

The Group typically offers automobile retailers and merchants of local lifestyle goods and services fund rebates when their sales to end customers reach an agreed threshold. The incentives provided to them are recorded as a reduction of revenue if there is no exchange of distinct goods or services to the Group or the fair value of the goods or services received cannot be reasonably estimated. A refund liability is recognised for the expected rebates and is included in accruals expenses and other current liabilities.

(b) Revenue from other businesses

- Advertisement placement

The Group also provides advertisement placement services for its customers (a) online through Consumption Guide and (b) offline.

Since the second quarter of 2022, the Group provided advertisement placement service primarily to automobile retailers and merchants of local lifestyle goods and services in the Group’s online marketplaces, Consumption Guide. Revenue from advertisement placement services is recognised on a straight-line basis over the contractual service period. Revenue is recorded on a gross basis as the Group is the principal to the automobile retailers and merchants of local lifestyle goods and services in the respective arrangements. In general, the automobile retailers and merchants of local lifestyle goods and services are required to make advance payments for all the advertisement placement services which is primarily recorded in “Contract liabilities”.

- Revenue from financial institutions

During the Track Record Period, the Group entered service contracts with financial institutions to provide matching services for them. The Group identified and referred potential end borrowers with needs for purchasing credits and/or consumer loans to match them with financial institutions based on relevant service contracts.

Revenue arising from provision of matching services for financial institutions is satisfied over time in accordance with paragraph 35(a) of IFRS 15 because the customers simultaneously received and consumed the benefits of the Group’s performance in identifying and referring each potential end borrower as and when each potential end borrower is referred. Also, the fact that another entity would not need to re-perform the relevant services completed by the Group for the service that the Group has provided to date also demonstrates that the customers simultaneously received and consumed the

benefits of the Group’s performance as the Group performed. To measure the Group’s performance over time, the output method is utilised to measure the value to the customers based on the transfer to date of the services promised, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognised when the service is provided and billed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognised utilising the right to invoice expedient resulting in revenue being recognised when the service is provided and billed. Additionally, contracts with a defined price but an undefined quantity that utilise tier pricing would be defined as a series of distinct performance obligations satisfied over time utilising the same method of measurement, the output method, with no rights of return once consumed.

(ii) Other income

(a) Interest income

Interest income is calculated and recognised using the effective interest rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset to the carrying amount of the asset. For financial assets measured at amortised cost or fair value through other comprehensive income (recycling) that are not credit-impaired, the effective interest rate is applied to the carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the carrying amount of the asset less any impairment loss.

(b) Dividends

Dividends income from unlisted equity investments is recognised when the investor’s right to receive payment is established.

(c) Government grants

Government grants are recognised in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(t) *Research and development expenses*

Research and development expenses comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group’s research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

(u) *Foreign currency transactions*

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

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Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

(v) *Borrowing costs*

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) *Related parties*

- (a) A person, or a close member of that person’s family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group’s parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group’s parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) *Segment reporting*

Operating segments and the amounts of each segment item reported in the Historical Financial information are identified from the financial information provided regularly to the Group’s most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group’s various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group’s chief operating decision maker has been identified as the Chief Executive Officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group.

For the purpose of internal reporting and management’s operation review, the Group’s Chief Executive Officer and management personnel do not segregate the Group’s business by service lines. All service categories are viewed as one and the only operating segment.

3 Accounting judgment and estimates

In the process of applying the Group’s accounting policies, management has made the following accounting judgments:

(a) Fair value of share-based compensation payments

As mentioned in Note 25, the Group has granted shares options to its employees. The Group has used binomial option-pricing model to determine the total fair value of the options granted to employees, which is to be expensed over the vesting period. Significant estimate on assumptions, such as the underlying equity value, risk-free interest rate, expected volatility and dividend yield, is required to be made by the Group in applying the binomial option-pricing model.

(b) Impairment of trade receivables

The credit losses for trade receivables are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and the Group may make additional loss allowances in future periods.

4 Revenue

The principal activities of the Group are providing operation of online marketplaces and other businesses including advertisement placement and provision of matching services for financial institutions in the PRC.

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Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Revenue from contracts with customers within the scope of IFRS 15					
Operation of online marketplaces					
— Revenue from Yangxiaomie	206,222	200,451	925,124	253,500	406,100
— Revenue from Consumption guide	205,835	211,081	32,813	13,885	7,917
Other businesses					
— Advertisement placement	7,166	10,952	3,048	2,240	123
— Revenue from financial institutions	56,062	107,185	32,044	30,226	—
	<u>475,285</u>	<u>529,669</u>	<u>993,029</u>	<u>299,851</u>	<u>414,140</u>

Disaggregation of the Group’s revenue from contracts with customers by the timing of revenue recognition is set out below:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Over-time	62,915	118,137	35,092	32,466	123
Point-in-time	412,370	411,532	957,937	267,385	414,017
	<u>475,285</u>	<u>529,669</u>	<u>993,029</u>	<u>299,851</u>	<u>414,140</u>

During the Track Record Period, there is no individual customer contributing over 10% of the total revenue of the Group.

Remaining performance obligation

The Group has elected the practical expedient not to disclose the information about remaining performance obligations which are part of contracts that have an original expected duration of one year or less and do not disclose the value of remaining performance obligations for contracts in which the Group recognises revenue at the amount to which the Group has the right to invoice.

Segment information

IFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group’s chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, as for the purpose of making decisions about resources allocation and performance assessment, the Group’s management reviews on the operating results of the Group as a whole, the Group has determined that it only has one operating segment during the Track Record Period.

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Geographic information

All of the Group’s operating assets are located in the PRC and all of the Group’s revenue and operating profits are derived from the PRC during the Track Record Period. Accordingly, no segment analysis based on geographical locations is provided.

5 Other income or loss, net

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Dividend income from financial assets at fair value through other comprehensive income (i)	2,657	—	—	—	—
Gain on disposals of subsidiaries (Note 29)	438	—	—	—	—
Extra deduction of input value-added tax (“VAT”) (ii)	298	69	—	—	—
Trade receivables extension fee (iii)	—	—	7,102	—	—
Gain on derecognition of long-term payables . . .	—	176	29	—	24
Exchange gain/(loss)	—	6	(51)	3	(247)
Gain on compensations (Note 15)	—	1,450	—	—	—
Gain on debt restructuring (iv)	—	2,617	—	—	—
Donation	—	—	—	—	(813)
Gain on legal settlement (v)	—	—	—	—	1,251
Others	(78)	199	205	149	49
	<u>3,315</u>	<u>4,517</u>	<u>7,285</u>	<u>152</u>	<u>264</u>

Notes:

- (i) During the year ended 31 December 2022, dividends with amount of RMB2,657,000 were received on the Group’s unlisted investments in a private company, Shandong Tancheng Rural Commercial Bank Corporation Limited (山東鄒城農村商業銀行股份有限公司) established in the PRC, which was derecognised in 2022.
- (ii) In accordance with the Announcement of the Ministry of Finance and the State Taxation Administration Regarding the VAT Policies for Promoting the Bailout and Development of Distressed Industries in the Service Sector ([2022] No. 11), the Group’s subsidiaries, as modern service companies, qualify for additional 10% deduction of input VAT from output VAT during the year ended 31 December 2022. Pursuant to the new Announcement on Clarifying Policies for Value Added Tax Reduction and Exemption for Small scale Taxpayers ([2023] No. 1), the Group’s subsidiaries, as modern service companies, qualify for additional 5% deduction of input VAT from output VAT during the year ended 31 December 2023.
- (iii) During the year ended 31 December 2024, the Group levy a trade receivables extension fee as compensations for any client’s expiry of grace period for their outstanding trade receivables. The Group ceased collection of extension fee since 1 January 2025.
- (iv) During the year ended 31 December 2023, the Group was involved in a legal lawsuit with a cloud service supplier (the “Supplier”) of the Group for its delay in the settlement. On 25 May 2023, the court issued civil mediation agreement, under which the Supplier waived a portion of the Group’s trade payables and the Group shall complete the settlement before May 2024. As a result, the Group recognised a one-off gain on debt restructuring of approximately of RMB2,617,000 based on the above-mentioned court decision and repaid all the agreed amount as scheduled in the civil mediation agreement in 2023.
- (v) During the five months ended 31 May 2025, the Group recognised a gain from legal settlement of RMB1,251,000 pursuant to the court’s judgment in a lawsuit against one customer of the Group. The entire amount was fully received.

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6 (Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after charging:

(a) Net finance costs

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Interest income from bank deposits	(117)	(60)	(14)	(13)	(49)
Interest expense on bank and other borrowings	—	234	687	353	359
Guarantee fee from bank and other borrowings	—	69	—	—	—
Interest expense on lease liabilities	163	571	900	392	315
	<u>46</u>	<u>814</u>	<u>1,573</u>	<u>732</u>	<u>625</u>

(b) Staff costs

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Salaries, wages and other benefits	106,444	75,371	60,842	21,020	36,037
Contributions to defined contribution retirement plan ⁽ⁱ⁾	27,288	19,808	10,831	5,789	8,239
Termination benefits	3,155	10,375	6,734	5,688	3,195
Share-based compensation	15,823	(7,282)	36,948	17,343	11,124
	<u>152,710</u>	<u>98,272</u>	<u>115,355</u>	<u>49,840</u>	<u>58,595</u>

Note:

- (i) Employees of the Group’s subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group’s subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

(c) Other items

	Note	Years ended 31 December			Five months ended 31 May	
		2022	2023	2024	2024	2025
		RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Distribution and marketing expenditures		39,753	103,543	465,660	109,315	80,932
Depreciation of property, plant and equipment		1,298	618	522	254	102
Depreciation of right-of-use assets		10,646	6,925	4,566	1,885	1,872
Amortisation of intangible assets		155	230	305	118	132
Impairment loss/(gain) on financial assets:						
— Trade receivables	16	9,836	2,635	(5,280)	3,731	1,722
— Other receivables	17	(400)	—	—	—	—
[REDACTED]		26,669	9,640	23,467	8,687	5,404

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7 Income tax in the consolidated statements of profit or loss and other comprehensive income

(a) Income tax in the consolidated statements of profit or loss and other comprehensive income represents:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Current tax					
Enterprise Income Tax					
Provision for the year/period	5	9	48,296	13,289	36,176
Deferred tax					
Origination and reversal of temporary differences . . .	(1,003)	(900)	(602)	(1,032)	(733)
	<u>(998)</u>	<u>(891)</u>	<u>47,694</u>	<u>12,257</u>	<u>35,443</u>

(b) Reconciliation between income tax (credit)/expense and accounting (loss)/profit at applicable tax rates:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
(Loss)/profit before taxation	<u>(1,281)</u>	<u>2,752</u>	<u>194,822</u>	<u>46,948</u>	<u>161,074</u>
Notional tax on (loss)/profit before taxation, calculated at the rates applicable in the jurisdictions concerned	28,840	38,462	92,502	29,311	58,312
Tax effect of non-deductible expenses	4,491	(1,717)	7,242	4,362	2,852
Effect of tax-exempted income	(664)	—	—	—	—
Super-deduction of research and development expense ⁽ⁱ⁾	(11,728)	(11,730)	(8,475)	(3,336)	(4,896)
Tax effect of unused tax losses not recognised	597	6,480	71	46	89
Tax effect of utilising unrecognised unused tax losses carried forward	(22,455)	(32,346)	(11,905)	(11,492)	(263)
Tax concessions ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	<u>(79)</u>	<u>(40)</u>	<u>(31,741)</u>	<u>(6,634)</u>	<u>(20,651)</u>
Actual tax (credit)/expense	<u>(998)</u>	<u>(891)</u>	<u>47,694</u>	<u>12,257</u>	<u>35,443</u>

Notes:

- (i) According to the State Taxation Administration of the PRC announced in September 2018 and in March 2021, the enterprises engaging in research and development activities would entitle to claim 175% of their research and development expenses as Super Deduction from 1 January 2018 to 30 September 2022. According to the State Taxation Administration of the PRC announced in September 2022 and in March 2023, the enterprises engaging in research and development activities would entitle to claim 200% of their research and development expenses as Super Deduction since 1 October 2022. The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the year.
- (ii) Pursuant to tax relief policies issued by Ministry of Finance and State Taxation Administration of the PRC companies, which meet: 1) annual taxable profits less than RMB3 million; 2) employees less than 300; and 3) total assets less than RMB50 million, are subject to preferential effective tax rates of 2.5%/10%, 2.5%/5%, 5%/5% and 5%/5% for their taxable profits (under RMB1 million/between RMB1 million and RMB3 million) for the years ended 31 December 2022, 2023, 2024 and the five months ended 31 May 2025, respectively. The tax relief policies will remain effective before 31 December 2027. The Group’ certain subsidiaries enjoyed above mentioned tax relief policies during the Track Record Period.
- (iii) According to the PRC Corporate Income Tax Law, entities that qualify as “high-and-new technology enterprises” (“HNTE”) are entitled to a preferential income tax rate of 15%. During the Track Record Period, one subsidiary, Liangzi Data is qualified as HNTE, the qualification of Liangzi Data was valid for three years from November 2022 to November 2025.

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Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on either income or capital gain, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong SAR

The Company’s Hong Kong SAR subsidiary is subject to a profits tax rate of 8.25% for the first HKD2,000,000 of assessable profit and 16.5% for profit exceeding HKD2,000,000. No provision for Hong Kong SAR profits tax was made as the Group had no estimated assessable profit that was subject to Hong Kong SAR profits tax.

PRC

The Company’s subsidiaries established in the PRC are subject to an income tax rate of 25%, according to the Income Tax Law of the PRC during the Track Record Period.

8 Directors’ emoluments

Directors’ emoluments during the Track Record Period are as follows:

Year ended 31 December 2022							
	Directors’ fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments ⁽ⁱ⁾	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Zhou Hao	—	3,757	—	58	3,815	—	3,815
Hui Ling ⁽ⁱⁱ⁾	—	3,550	—	58	3,608	1,280	4,888
Li Yan ⁽ⁱⁱⁱ⁾	—	3,718	—	58	3,776	2,308	6,084
Wang Feng ^(iv)	—	2,434	—	58	2,492	3,891	6,383
Zhou Qiang ^(v)	—	1,109	—	58	1,167	229	1,396
Song Yang ^(vi)	—	1,278	—	58	1,336	1,158	2,494
Non-executive directors							
Zhang Yi ^(vii)	—	—	—	—	—	—	—
Liu Fangwei ^(vii)	—	—	—	—	—	—	—
	—	15,846	—	348	16,194	8,866	25,060
	==	==	==	==	==	==	==
Year ended 31 December 2023							
	Directors’ fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments ⁽ⁱ⁾	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Zhou Hao	—	3,738	295	63	4,096	—	4,096
Hui Ling ⁽ⁱⁱ⁾	—	667	—	40	707	(3,556)	(2,849)
Li Yan ⁽ⁱⁱⁱ⁾	—	2,718	80	63	2,861	1,502	4,363
Wang Feng ^(iv)	—	742	—	40	782	(2,495)	(1,713)
Zhou Qiang ^(v)	—	2,466	186	63	2,715	1,509	4,224
Song Yang ^(vi)	—	1,293	300	63	1,656	582	2,238
Non-executive directors							
Zhang Yi ^(vii)	—	—	—	—	—	—	—
Liu Fangwei ^(vii)	—	—	—	—	—	—	—
	—	11,624	861	332	12,817	(2,458)	10,359
	==	==	==	==	==	==	==

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Year ended 31 December 2024							
	Directors’ fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments ⁽ⁱ⁾	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Zhou Hao	—	5,221	1,438	66	6,725	30,794	37,519
Hui Ling ⁽ⁱⁱ⁾	—	12	—	2	14	—	14
Li Yan ⁽ⁱⁱⁱ⁾	—	2,580	160	66	2,806	2,297	5,103
Wang Feng ^(iv)	—	12	—	2	14	—	14
Zhou Qiang ^(v)	—	1,283	63	66	1,412	2,505	3,917
Song Yang ^(vi)	—	1,316	200	66	1,582	103	1,685
Non-executive directors							
Zhang Yi ^(vii)	—	—	—	—	—	—	—
Liu Fangwei ^(vii)	—	—	—	—	—	—	—
	—	10,424	1,861	268	12,553	35,699	48,252
	—	—	—	—	—	—	—
Five months ended 31 May 2025							
	Directors’ fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments ⁽ⁱ⁾	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Zhou Hao	—	3,733	—	28	3,761	6,738	10,499
Li Yan ⁽ⁱⁱⁱ⁾	—	528	—	28	556	77	633
Zhou Qiang ^(v)	—	355	—	28	383	1,890	2,273
Song Yang ^(vi)	—	942	—	28	970	292	1,262
Non-executive directors							
Zhang Yi ^(vii)	—	—	—	—	—	—	—
Liu Fangwei ^(vii)	—	—	—	—	—	—	—
	—	5,558	—	112	5,670	8,997	14,667
	—	—	—	—	—	—	—
Five months ended 31 May 2024 (unaudited)							
	Directors’ fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments ⁽ⁱ⁾	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Zhou Hao	—	1,602	—	27	1,629	7,752	9,381
Hui Ling ⁽ⁱⁱ⁾	—	12	—	2	14	-	14
Li Yan ⁽ⁱⁱⁱ⁾	—	1,074	—	27	1,101	112	1,213
Wang Feng ^(iv)	—	12	—	2	14	-	14
Zhou Qiang ^(v)	—	786	—	27	813	1,435	2,248
Song Yang ^(vi)	—	540	—	27	567	43	610
Non-executive directors							
Zhang Yi ^(vii)	—	—	—	—	—	—	—
Liu Fangwei ^(vii)	—	—	—	—	—	—	—
	—	4,026	—	112	4,138	9,342	13,480
	—	—	—	—	—	—	—

Notes:

- (i) These represent the estimated value of share options or RSUs granted to the directors under the Group’s share incentive plans. The value of these share options or RSUs is measured according to the Group’s accounting policies for share-based payment transactions as

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set out in Note 2(q)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of these benefits in kind, including the principal terms and number of share options or RSUs granted, are disclosed in Note 25.

- (ii) Ms. Hui Ling joined the Group on 14 January 2015 and was appointed as an executive director of the Company on 31 March 2022, and resigned from the executive director with effective from 31 January 2024.
- (iii) Mr. Li Yan joined the Group on 1 May 2020 and was appointed as an executive director of the Company on 9 May 2022.
- (iv) Mr. Wang Feng joined the Group on 4 June 2021 and was appointed as an executive director of the Company on 9 May 2022, and resigned from the executive director with effective from 31 January 2024.
- (v) Mr. Zhou Qiang joined the Group on 1 September 2022 and was appointed as an executive director of the Company on 31 January 2024. During the years ended 31 December 2022 and 2023, a part of Mr. Zhou Qiang’s remuneration was paid by the Group in the form of consultant fees to an entity controlled by him for providing technical consulting service for the Group. His emoluments disclosed above included the compensations for his services as key management personnel of the Group prior to his appointment as a director of the Company.
- (vi) Mr. Song Yang joined the Group on 8 June 2020 and was appointed as an executive director of the Company on 31 January 2024. His emoluments disclosed above included the compensations for his services as key management personnel of the Group prior to his appointment as a director of the Company.
- (vii) On 9 May 2022, Mr. Zhang Yi and Ms. Liu Fangwei were appointed as non-executive directors of the Company. No remuneration is paid to them during the Track Record Period.
- (viii) On [●] [●] 2025, Mr. Sun Junchen, Mr. Cao Jie and Ms. Guo Yongfang were appointed as independent non-executive directors of the Company.

During the Track Record Period, no director has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 Individuals with highest emoluments

The number of directors and non-directors included in the five highest paid individuals during the Track Record Period are set forth below:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
				(unaudited)	
Directors	4	4	4	3	3
Non-directors	1	1	1	2	2
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

The emoluments of the directors are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals are as follows:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Salaries, allowances and benefits in kind	1,683	701	1,135	910	1,526
Discretionary bonuses	—	45	240	—	—
Share-based payment	3,238	1,300	705	399	150
Total	<u>4,921</u>	<u>2,046</u>	<u>2,080</u>	<u>1,309</u>	<u>1,676</u>

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The emoluments of the above individuals with the highest emoluments are within the following bands:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	Number of individuals	Number of individuals	Number of individuals	Number of individuals (unaudited)	Number of individuals
Nil — HK\$1,000,000	—	—	—	2	2
HK\$2,000,001 — HK\$2,500,000	—	1	1	—	—
HK\$5,500,001 — HK\$6,000,000	1	—	—	—	—

During the Track Record Period, no amounts were paid or payable by the Group to the above non-director highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

10 Basic and diluted (loss)/earnings per share

The calculation of the basic (loss)/earnings per share during the Track Record Period is based on the (loss)/profit for the year/period attributable to equity shareholders of the Company divided by the weighted average number of ordinary shares assumed to be in issue after taking into account the retrospective adjustments on the assumption that the Reorganisation had been in effective on 1 January 2022, calculated as follows:

(a) (Loss)/profit of the year/period attributable to ordinary equity shareholders of the Company

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
(Loss)/profit for the year/period attributable to all equity shareholders of the Company	(281)	3,643	147,128	34,691	125,631
Allocation of loss/(earnings) for the year/period attributable to financial instruments with preferred rights	86	(1,916)	(77,362)	(18,241)	(66,059)
(Loss)/profit for the year/period attributable to ordinary equity shareholders of the Company	<u>(195)</u>	<u>1,727</u>	<u>69,766</u>	<u>16,450</u>	<u>59,572</u>

(b) Weighted average number of shares

Weighted average number of ordinary shares deemed to be in issue:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
				(unaudited)	
Weighted average number of ordinary shares deemed to be in issue	<u>346,636,708</u>	<u>237,091,500</u>	<u>237,091,500</u>	<u>237,091,500</u>	<u>237,091,500</u>

For the years ended 31 December 2022, 2023, 2024 and five months ended 31 May 2024 and 2025, the potential ordinary shares were not included in the calculation of diluted (loss)/earnings per share as their inclusion would have been anti-dilutive. Accordingly, the amounts of diluted (loss)/earnings per share were the same as basic (loss)/earnings per share of 2022, 2023, 2024 and five months ended 31 May 2024 and 2025.

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11 Property, plant and equipment

	Office equipment RMB’000	Electronic equipment RMB’000	Leasehold improvements RMB’000	Total RMB’000
Cost:				
At 1 January 2022	730	8,860	—	9,590
Additions	3	352	—	355
Disposals	(285)	(213)	—	(498)
At 31 December 2022 and 1 January 2023	448	8,999	—	9,447
Additions	1	45	184	230
Disposals	(66)	(8)	—	(74)
At 31 December 2023 and 1 January 2024	383	9,036	184	9,603
Additions	17	29	—	46
Disposals	—	(9)	—	(9)
At 31 December 2024 and 1 January 2025	400	9,056	184	9,640
Additions	13	—	—	13
At 31 May 2025	413	9,056	184	9,653
Accumulated depreciation:				
At 1 January 2022	(364)	(6,539)	—	(6,903)
Charge for the year	(98)	(1,200)	—	(1,298)
Written back on disposals	218	202	—	420
At 31 December 2022 and 1 January 2023	(244)	(7,537)	—	(7,781)
Charge for the year	(80)	(529)	(9)	(618)
Written back on disposals	61	1	—	62
At 31 December 2023 and 1 January 2024	(263)	(8,065)	(9)	(8,337)
Charge for the year	(80)	(405)	(37)	(522)
Written back on disposals	—	4	—	4
At 31 December 2024 and 1 January 2025	(343)	(8,466)	(46)	(8,855)
Charge for the period	(22)	(65)	(15)	(102)
At 31 May 2025	(365)	(8,531)	(61)	(8,957)
Net book value:				
At 31 December 2022	204	1,462	—	1,666
At 31 December 2023	120	971	175	1,266
At 31 December 2024	57	590	138	785
At 31 May 2025	48	525	123	696

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12 Intangible assets

	Software RMB'000	Patent and trademark RMB'000	Domain name RMB'000	Total RMB'000
Cost:				
At 1 January 2022	564	—	—	564
Additions	709	421	284	1,414
At 31 December 2022 and 1 January 2023	1,273	421	284	1,978
Additions	213	458	—	671
At 31 December 2023 and 1 January 2024	1,486	879	284	2,649
Additions	119	368	—	487
At 31 December 2024 and 1 January 2025	1,605	1,247	284	3,136
Additions	9	—	—	9
At 31 May 2025	1,614	1,247	284	3,145
Accumulated amortisation:				
At 1 January 2022	(129)	—	—	(129)
Charge for the year	(112)	(25)	(18)	(155)
At 31 December 2022 and 1 January 2023	(241)	(25)	(18)	(284)
Charge for the year	(144)	(57)	(29)	(230)
At 31 December 2023 and 1 January 2024	(385)	(82)	(47)	(514)
Charge for the year	(166)	(110)	(29)	(305)
At 31 December 2024 and 1 January 2025	(551)	(192)	(76)	(819)
Charge for the period	(68)	(53)	(11)	(132)
At 31 May 2025	(619)	(245)	(87)	(951)
Net book value:				
At 31 December 2022	1,032	396	266	1,694
At 31 December 2023	1,101	797	237	2,135
At 31 December 2024	1,054	1,055	208	2,317
At 31 May 2025	995	1,002	197	2,194

The amortisation charge for the year is included in “general and administrative expenses” in the consolidated statements of profit or loss and other comprehensive income.

In 2022, the Group acquired domain name from third parties and applied a series of trademarks, and these intangible assets are stated at cost less accumulated amortisation.

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13 Right-of-use assets

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Cost:					
At 1 January, ...	28,578	6,548	23,584	23,584	23,217
Additions	6,548	23,584	—	—	—
Disposals	(28,578)	(6,548)	(367)	(367)	—
At 31 December/31 May	6,548	23,584	23,217	23,217	23,217
Accumulated depreciation:					
At 1 January, ...	(19,044)	(1,112)	(1,906)	(1,906)	(6,444)
Charge for the year/period	(10,646)	(6,925)	(4,566)	(1,885)	(1,872)
Disposals	28,578	6,131	28	28	—
At 31 December/31 May	(1,112)	(1,906)	(6,444)	(3,763)	(8,316)
Net book value:					
At 31 December/31 May	5,436	21,678	16,773	19,454	14,901

The right-of-use assets represented the leased office premises.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Depreciation charge of right-of-use assets	10,646	6,925	4,566	1,885	1,872
Short-term leases	818	1,028	674	262	409
Interest on lease liabilities	163	571	900	392	315
	11,627	8,524	6,140	2,539	2,596

The addition of right-of-use assets during the Track Record Period represent the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and maturity analysis of lease liabilities are set out in Notes 18(c) and 23, respectively.

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14 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statements of financial position

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
At 1 January	—	5	8	8	33,663
Provision for PRC income tax for the year/period					
(Note 7(a))	5	9	48,296	13,289	36,176
PRC income tax paid during the year/period	—	(6)	(14,641)	(8)	(38,357)
At 31 December/31 May	<u>5</u>	<u>8</u>	<u>33,663</u>	<u>13,289</u>	<u>31,482</u>

(b) Deferred tax assets/(liabilities) recognised

Movement of each component of deferred tax assets/(liabilities)

The component of deferred tax assets recognised in the consolidated statements of financial position and the movements during the year/period are as follows:

	Right-of-use asset	Lease liabilities	Credit loss allowance	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Deferred tax arising from:				
At 31 December 2021 and 1 January 2022	(1,407)	1,407	—	—
Credited/(charged), to profit or loss (Note 7(a))	<u>467</u>	<u>(467)</u>	<u>1,003</u>	<u>1,003</u>
At 31 December 2022 and 1 January 2023	(940)	940	1,003	1,003
(Charged)/credited, to profit or loss (Note 7(a))	<u>(4,479)</u>	<u>4,712</u>	<u>667</u>	<u>900</u>
At 31 December 2023 and 1 January 2024	(5,419)	5,652	1,670	1,903
Credited/(charged), to profit or loss (Note 7(a))	<u>1,141</u>	<u>(1,321)</u>	<u>782</u>	<u>602</u>
At 31 December 2024 and 1 January 2025	(4,278)	4,331	2,452	2,505
Credited/(charged), to profit or loss (Note 7(a))	<u>468</u>	<u>(166)</u>	<u>431</u>	<u>733</u>
At 31 May 2025	<u>(3,810)</u>	<u>4,165</u>	<u>2,883</u>	<u>3,238</u>

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB150,282,000, RMB46,815,000, RMB474,000 and RMB825,000 as at 31 December 2022, 2023, 2024 and 31 May 2025, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction before they expire.

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15 Other non-current assets

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Receivables from disposal of a subsidiary ⁽ⁱ⁾	4,761	4,761	—	—
Prepayments for acquisition of properties ⁽ⁱⁱ⁾	29,000	—	—	—
	<u>33,761</u>	<u>4,761</u>	<u>—</u>	<u>—</u>
Analysed for financial reporting purpose:				
Current-other current assets	—	4,761	—	—
Non-current-other non-current assets	<u>33,761</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>33,761</u>	<u>4,761</u>	<u>—</u>	<u>—</u>

Notes:

- (i) As at 31 December 2022 and 2023, receivables from disposal of a subsidiary represent the Group’s receivables from third parties generated from disposals of the Group’s shares in a subsidiary, Fujian Xiapu Zhongying Financing Guarantee Co., Ltd. (福建省霞浦中盈融資擔保有限公司, “Zhongying”). On 4 December 2020, the Group has entered into a contract with a third party, Hengtai Yinkong Asset Management Company (北京恒泰銀控財富管理有限公司), and Mr. Luo Xiaoxian, to transfer its 100% equity interests in Zhongying, at a consideration of RMB19,749,000. Based on the terms of the relevant contract, these receivables will be paid within 4 years from the disposal date, 4 December 2020. During the years ended 31 December 2021 and 2022, the amounts of RMB4,987,000 and RMB10,000,000 were settled by the third parties, respectively. In January 2024, the remaining amount of RMB4,761,000 was settled.
- (ii) As at 31 December 2022, prepayments for acquisition of properties represent prepayments to the Group’s related party, Hainan Zimu Network Technology Co., Ltd. (海南自牧網絡科技有限公司, “Hainan Zimu”), to acquire a property in Hainan and intend to use this property as additional premises for the office in Hainan at a consideration of RMB29,000,000. The Group recovered the above-mentioned prepayments with amount of RMB29,000,000 from Hainan Zimu during the year ended 31 December 2023 together with compensations with amount of RMB1,450,000 as Hainan Zimu failed to satisfy the conditions to transfer the property based on the relevant agreement (see Note 5).

16 Trade receivables

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Trade receivables	271,232	458,894	648,776	755,905
Less: loss allowance	<u>(13,005)</u>	<u>(15,640)</u>	<u>(10,360)</u>	<u>(12,082)</u>
Trade receivables, net	<u>258,227</u>	<u>443,254</u>	<u>638,416</u>	<u>743,823</u>

Aging analysis

As of the end of each of the Track Record Period, the aging analysis of trade receivables, based on the date of revenue recognition and net of loss allowance, is as follows:

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Within 3 months	159,785	290,635	233,194	507,720
3 months to 6 months	95,313	149,487	404,307	235,730
6 months to 1 year	2,348	3	—	373
Over 1 year	<u>781</u>	<u>3,129</u>	<u>915</u>	<u>—</u>
	<u>258,227</u>	<u>443,254</u>	<u>638,416</u>	<u>743,823</u>

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The credit terms agreed with customers are normally 1 to 180 days from the date of invoicing. No interests are charged on the trade receivables. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 27(a).

17 Prepaid expenses and other receivables

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Prepaid expenses	2,661	7,057	8,972	7,101
Advance to suppliers ⁽ⁱ⁾	10,923	16,055	6,316	30,407
Prepayments for costs incurred in connection with the issuance of the Company's shares ⁽ⁱⁱ⁾	807	1,041	1,541	1,733
Amounts due from certain shareholders of the Company	213	—	—	—
Amounts due from third parties	2,297	831	323	345
Deposits	3,333	3,031	5,713	3,328
Amounts due from a related party	—	—	3,634	—
Deductible input VAT	73	269	264	—
Less: loss allowance	(203)	(203)	(203)	(203)
	<u>20,104</u>	<u>28,081</u>	<u>26,560</u>	<u>42,711</u>

Notes:

- (i) As at 31 December 2022, 2023, 2024 and 31 May 2025, the balance of advance to suppliers mainly represents the payments made by the Group to merchandise suppliers for goods that have not been delivered to the end customers at the end of each reporting period and these goods are normally delivered to the end customers within around one week after the end of each reporting period.
- (ii) The balances will be deducted from equity upon the completion of the [REDACTED].

18 Cash at bank and on hand and other cash flow information

(a) Cash at bank and on hand comprise:

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	38	8	8	8
Cash at banks	69,430	105,351	304,999	409,373
Cash equivalents ⁽ⁱ⁾	10,750	5,630	8,929	18,669
Less: frozen bank deposits ⁽ⁱⁱ⁾	(3,038)	—	—	—
Cash and cash equivalents	<u>77,180</u>	<u>110,989</u>	<u>313,936</u>	<u>428,050</u>

Notes:

- (i) Cash equivalents represent cash balances kept in third party payment platform, which can be withdrawn by the Group at any time.
- (ii) As at 31 December 2022, bank deposits of RMB3,038,000 were frozen based on the court's decision as the Group was involved in a legal litigation. The litigation was ruled in January 2023 and the above-mentioned frozen amount has been released.

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(b) *Reconciliation of liabilities arising from financing activities:*

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

	Bank and other borrowings	Lease liabilities	Total
	RMB’000	RMB’000	RMB’000
At 1 January 2022	—	7,965	7,965
Changes from financing cash flows:			
Capital element of finance lease rentals paid	—	(9,956)	(9,956)
Interest element of finance lease rentals paid	—	(163)	(163)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	—	6,518	6,518
Interest expenses	—	163	163
At 31 December 2022 and 1 January 2023	—	4,527	4,527
Changes from financing cash flows:			
Capital element of finance lease rentals paid	—	(5,086)	(5,086)
Interest element of finance lease rentals paid	—	(571)	(571)
Proceeds from bank and other borrowings	25,835	—	25,835
Interest paid	(234)	—	(234)
Guarantee fee paid	(69)	—	(69)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	—	23,584	23,584
Early termination of lease contracts	—	(416)	(416)
Interest expenses and guarantee fee	303	571	874
At 31 December 2023 and 1 January 2024	25,835	22,609	48,444
Changes from financing cash flows:			
Capital element of finance lease rentals paid	—	(5,293)	(5,293)
Interest element of finance lease rentals paid	—	(900)	(900)
Proceeds from bank and other borrowings	25,830	—	25,830
Payment of bank and other borrowings	(26,000)	—	(26,000)
Interest paid	(687)	—	(687)
Other changes:			
Early termination of lease contracts	—	(367)	(367)
Interest expenses	687	900	1,587
At 31 December 2024	25,665	16,949	42,614

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	Bank and other borrowings	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2025	25,665	16,949	42,614
Changes from financing cash flows:			
Capital element of finance lease rentals paid	—	(661)	(661)
Interest element of finance lease rentals paid	—	(315)	(315)
Proceeds from bank and other borrowings	18,064	—	18,064
Interest paid	(359)	—	(359)
Other changes:			
Interest expenses and guarantee fee	359	315	674
At 31 May 2025	<u>43,729</u>	<u>16,288</u>	<u>60,017</u>
(unaudited)			
At 1 January 2024	25,835	22,609	48,444
Changes from financing cash flows:			
Capital element of finance lease rentals paid	—	(1,499)	(1,499)
Interest element of finance lease rentals paid	—	(392)	(392)
Proceeds from bank and other borrowings	4,903	—	4,903
Payment of bank and other borrowings	(5,500)	—	(5,500)
Interest paid	(353)	—	(353)
Other changes:			
Early termination of lease contracts	—	(366)	(366)
Interest expenses and guarantee fee	353	392	745
At 31 May 2024	<u>25,238</u>	<u>20,744</u>	<u>45,982</u>

(c) *Total cash outflow for leases*

Amounts included in the cash flow statements for lease rentals paid are as follows:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Within operating cash flows	818	1,028	674	262	409
Within financing cash flows	<u>10,119</u>	<u>5,657</u>	<u>6,193</u>	<u>1,891</u>	<u>976</u>
	<u>10,937</u>	<u>6,685</u>	<u>6,867</u>	<u>2,153</u>	<u>1,385</u>

19 Trade payables

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts due to third parties	<u>30,434</u>	<u>31,886</u>	<u>62,285</u>	<u>39,558</u>

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The Group’s trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days. As of the end of each of the Track Record Period, the aging analysis of trade payables, based on the invoice date, is as follows:

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Within 6 months	19,812	26,847	56,843	34,391
6 months to 1 year	1,662	385	559	469
1 to 2 years	6,568	1,414	1,039	807
over 2 years	2,392	3,240	3,844	3,891
	<u>30,434</u>	<u>31,886</u>	<u>62,285</u>	<u>39,558</u>

20 Accrued expenses and other current liabilities

The Group

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Amounts due to related parties (Note 28(d))	—	184	—	—
Amounts due to third parties	1,870	2,205	3,079	3,051
Payables for costs incurred in connection with the proposed [REDACTED] of the Company’s shares	4,094	4,073	12,292	8,205
Value added tax and surcharges payable	5,407	14,466	26,649	35,570
Accrued payroll and welfare	10,562	8,999	11,721	8,660
	<u>21,933</u>	<u>29,927</u>	<u>53,741</u>	<u>55,486</u>

The Company

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Amounts due to subsidiaries (i)	19,949	27,630	47,249	50,134
	<u>19,949</u>	<u>27,630</u>	<u>47,249</u>	<u>50,134</u>

Note:

(i) Amounts due to subsidiaries mainly represent [REDACTED] paid by the Company’s subsidiaries, which will be borne by the Company.

All of the accrued expenses and other current liabilities are expected to be settled within one year or are repayable on demand.

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21 Contract liabilities

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Advances for revenue from Yangxiaomie	15,481	35,910	3,822	37,123
Advances for advertisement placement	3,396	3,732	1,190	1,640
	<u>18,877</u>	<u>39,642</u>	<u>5,012</u>	<u>38,763</u>

As at 31 December 2022, 2023, 2024 and 31 May 2025, contract liabilities represent receipts in advance of non-refundable payments made by customers in relation to the Group’s facilitating transactions of goods on the Group’s online marketplace, Yangxiaomie, and advertisement placement, which are yet to be provided.

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Revenue recognised during the year/period that was included in the contract liabilities at the beginning of the year/period	<u>12,303</u>	<u>18,877</u>	<u>39,642</u>	<u>5,012</u>

All contract liabilities at the beginning of each reporting period were recognised as revenue in the respective reporting period.

22 Bank and other borrowings

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Bank loans :				
— unsecured and guaranteed by a third party (ii)	—	5,000	—	—
— unsecured and guaranteed by a subsidiary of the Group	—	10,000	—	15,000
— unsecured and unguaranteed	—	8,000	18,000	21,000
	—	<u>23,000</u>	<u>18,000</u>	<u>36,000</u>
Other borrowings :				
— unsecured and unguaranteed (iii)	—	2,835	7,665	7,729
	—	<u>2,835</u>	<u>7,665</u>	<u>7,729</u>

Notes:

- (i) As at 31 December 2023, 2024 and 31 May 2025, the Group’s bank loans are all short-term borrowings, and the annual interest rate of these bank loans were ranged from 2.9% to 5.67%.
- (ii) These bank loans are guaranteed by a third party, Beijing Haidian Technology Corporate Finance Guarantee Co.,Ltd.(北京海澱科技企業融資擔保有限公司), with guarantee fee rate of 1.5%.
- (iii) Other borrowings are non-interest bearing loans from four third parties, which are denominated in United States dollars and Hong Kong dollars. As at 31 December 2023, other borrowings amounted to USD401,000 and mature in 30 to 35 months. As at 31 December 2024, other borrowings denominated in United States dollars amounted to USD665,184 and mature in 18 to 29 months, and other borrowings denominated in Hong Kong dollars amounted to HKD3,218,734 and mature in 32 months. As at 31 May 2025, other borrowings denominated in United States dollars amounted to USD665,184 and mature in 13 to 24 months, and other borrowings denominated in Hong Kong dollars amounted to HKD3,218,734 and mature in 27 months.

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23 Lease liabilities

The following table shows the remaining contractual maturities of the Group’s lease liabilities at the end of each reporting period:

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Maturity analysis-contractual undiscounted cash flows				
Within 1 year or on demand	4,448	5,277	5,157	5,096
After 1 year but within 2 years	141	5,157	5,037	5,495
After 2 years but within 5 years	—	14,652	8,242	6,868
Total undiscounted lease liabilities	4,589	25,086	18,436	17,459
Less: total future interest expenses	(62)	(2,477)	(1,487)	(1,171)
Present value of lease liabilities	<u>4,527</u>	<u>22,609</u>	<u>16,949</u>	<u>16,288</u>
Lease liabilities included in the consolidated statements of financial position				
Current	4,386	4,352	4,457	4,482
Non-current	141	18,257	12,492	11,806
Present value of lease liabilities	<u>4,527</u>	<u>22,609</u>	<u>16,949</u>	<u>16,288</u>

24 Financial instruments with preferred rights

(a) *Financial instruments with preferred rights issued by the Company*

The Company, certain members of the Group and each of the Company’s shareholders have entered into a shareholders’ agreement on 9 May 2022 which mirrors the shareholders’ agreement entered into among Liangkebang and Liangkebang’s shareholders. Details of the Shareholders’ Agreement are described in the section headed “History, Reorganisation and Corporate Structure” in the Document.

Pursuant to the Shareholders’ Agreement, the Preference Investors were granted certain special rights, among which include redemption rights and liquidation preference rights. Under such preferential rights, the Preference Investors’ investments can be redeemed by the Company or Beijing Xitui Technology Co., Ltd. (北京喜推科技有限公司 “Xitui Technology”), upon the occurrence of certain contingent events, including but not limited to the event that the qualified [REDACTED] not being consummated by a specified time, or the change in the controlling position of the founding shareholders over the Group, at an redemption amount equal to the higher of: (i) a return on the original investment amount at a rate of 10% per annum compounded annually, and (ii) the original investment amount multiply 120% plus all declared but unpaid dividends. The redemption rights have been terminated upon submission of the application for the [REDACTED] on 29 June 2022, save for under the circumstance where the Company had failed to consummate the qualified [REDACTED] under the Shareholders’ Agreement where such right will terminate with effect upon the [REDACTED], and liquidation preference rights will be automatically terminated with effect upon the [REDACTED].

(b) *Presentation and classification*

The Company recognised the financial liabilities arising from its obligation to redeem the Preference Investors’ investments upon the occurrence of any specified contingent redemption events, as not all redemption events are within the Company or the Group’s control. The financial liabilities were measured at the present value of the redemption amounts upon such contingent events.

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Any changes in the carrying amounts of the financial liabilities were recorded in “changes in the carrying amounts of financial instruments with preferred rights” in the consolidated statement of profit or loss and other comprehensive income.

The movements of the financial instruments with preferred rights are set out below:

The Group and the Company

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
At 1 January	—	1,415,614	1,557,175	1,712,893
Issue	1,331,531	—	—	—
Changes in the carrying amount	84,083	141,561	155,718	69,392
	<u>1,415,614</u>	<u>1,557,175</u>	<u>1,712,893</u>	<u>1,782,285</u>

25 Share-based compensation

During the Track Record Period, the employees of the Group are eligible for 2017 Share Incentive Plan and 2018 Share Incentive Plan, which include share options and RSUs respectively.

(a) The 2014 Share Incentive Plan and the 2017 Share Incentive Scheme

On 30 September 2014, the board of directors of Liangkebang approved the 2014 Share Incentive Plan (the “2014 Plan”) to attract and retain the skilled and experienced personnel and provide additional incentives to employees, directors and consultants.

Share options to acquire Liangkebang’s shares granted to employees under the 2014 Plan will be exercisable upon the employee renders service to Liangzi Data in accordance with a stipulated service schedule starting from the employee’s date of employment. Employees are generally subject to a four-year service schedule commencing from the grant date, under which an employee is entitled to vest in 25% of his option grants annually thereafter of completed service.

To rationalise the corporate structure in preparing for the [REDACTED] of Liangkebang’s shares, Liangkebang and its subsidiaries underwent a reorganisation to establish Quant Group Limited as the ultimate holding company. On 30 August 2017, in connection with the previous reorganisation and to mirror the number and vesting terms of the options originally granted by Liangkebang, Quant Group Limited adopted a new share incentive plan (“2017 Share Incentive Scheme”) approved by the board of directors of Quant Group Limited with the same terms and conditions of the 2014 Plan. As a result, the 2014 Plan was replaced by the 2017 Share Incentive Scheme.

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The terms and conditions of the grants are as follows:

	Number of instruments	Vesting Conditions	Exercise prices
Share options granted to directors:			
— on 30 April 2015	50,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB0.08
— on 30 June 2016	50,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB0.32
— on 30 August 2016	150,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB0.32
— on 30 June 2018	50,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 01 January 2020	200,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 01 January 2021	1,000,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
Share options granted to employees:			
— on 30 September 2014	500,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB0.08
— on 30 April 2015	700,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB0.08
— on 30 April 2016	580,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB0.32
— on 30 June 2016	3,130,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB0.32
— on 30 August 2016	2,740,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB0.32
— on 30 October 2016	200,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB2.99
— on 31 March 2017	440,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB2.99
— on 01 April 2017	190,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB2.99
— on 30 April 2017	197,905	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 12 June 2017	300,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 01 September 2017	200,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 23 September 2017	60,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 12 October 2017	100,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 13 October 2017	60,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 20 October 2017	50,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17

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	Number of instruments	Vesting Conditions	Exercise prices
— on 23 October 2017	800,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 24 October 2017	20,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 13 November 2017	1,200,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 29 November 2017	70,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 01 January 2018	375,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 20 June 2018	480,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 01 January 2019	280,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 30 June 2019	380,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 01 January 2020	1,510,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
— on 30 June 2020	610,000	Each 25% of the initial options will vest and be exercisable every 12 months from the date of grant	RMB4.17
Total Incentive share options	16,672,905		

Movements in the number of share options granted is as follows:

	Options Outstanding	Weighted Average Exercise Price RMB
Outstanding at 1 January 2022	3,150,000	2.39
Forfeited	(230,000)	4.17
Outstanding at 31 December 2022	2,920,000	2.25
Forfeited	(500,000)	2.22
Outstanding at 31 December 2023, 2024 and 31 May 2025	2,420,000	2.25

(b) 2018 Share Incentive Plan

On 30 September 2018, Liangzi Data adopted the Restricted Share Unit Scheme (“2018 RSU Scheme”) by ways of resolutions of the Board of Directors, for the purpose of providing incentives and rewards to employees and executives who contribute to the development of the Group’s operations.

RSUs granted to employees will be exercisable upon the employee renders service to Liangzi Data in accordance with a stipulated service schedule starting from the grant date.

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The terms and conditions of the grants are as follows:

	Number of instruments	Vesting Conditions	Exercise prices
RSUs granted to directors:			
— on 31 December 2018	10,909,090	Service period 79 months	RMB0.24
— on 31 December 2021	3,409,086	Service period 43 months	RMB0.45
— on 31 December 2021	1,136,362	Service period 55 months	RMB0.45
— on 15 November 2022	2,288,847	Service period 32.5 months	RMB7.50
— on 15 November 2022	1,144,424	Service period 43 months	RMB7.50
— on 15 November 2022	1,144,424	Service period 55 months	RMB7.50
— on 15 November 2022	1,144,424	Service period 67 months	RMB7.50
— on 15 November 2022	1,144,424	Service period 79 months	RMB7.50
— on 24 March 2024	7,359,754	Service period 16 months	RMB0.69
— on 24 March 2024	7,359,754	Service period 24 months	RMB0.69
— on 24 March 2024	7,359,754	Service period 36 months	RMB0.69
— on 24 March 2024	7,359,754	Service period 48 months	RMB0.69
— on 30 April 2025	189,394	Service period 12 months	RMB1.60
— on 30 April 2025	189,394	Service period 24 months	RMB1.60
— on 30 April 2025	189,394	Service period 36 months	RMB1.60
— on 30 April 2025	189,394	Service period 48 months	RMB1.60
RSUs granted to employees:			
— on 31 December 2018	9,439,385	Service period 79 months	RMB0.24
— on 31 December 2019	2,424,240	Service period 67 months	RMB0.29
— on 31 December 2020	8,333,330	Service period 55 months	RMB0.34
— on 31 December 2021	6,136,359	Service period 43 months	RMB0.45
— on 31 December 2021	2,045,453	Service period 55 months	RMB0.45
— on 15 November 2022	2,170,625	Service period 32.5 months	RMB7.50
— on 15 November 2022	1,085,312	Service period 43 months	RMB7.50
— on 15 November 2022	1,085,312	Service period 55 months	RMB7.50
— on 15 November 2022	1,085,312	Service period 67 months	RMB7.50
— on 15 November 2022	1,085,312	Service period 79 months	RMB7.50
— on 24 March 2024	1,742,423	Service period 16 months	RMB0.69
— on 24 March 2024	1,742,422	Service period 24 months	RMB0.69
— on 24 March 2024	1,742,422	Service period 36 months	RMB0.69
— on 24 March 2024	1,742,422	Service period 48 months	RMB0.69
— on 30 April 2025	568,181	Service period 12 months	RMB1.60
— on 30 April 2025	568,181	Service period 24 months	RMB1.60
— on 30 April 2025	568,181	Service period 36 months	RMB1.60
— on 30 April 2025	568,181	Service period 48 months	RMB1.60
Total Incentive RSUs	96,650,726		

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Movements in the number of RSUs granted is as follows:

	<u>RSUs Outstanding</u>	<u>Weighted Average Exercise Price RMB</u>
Outstanding at 1 January 2022	39,439,365	0.32
Granted	13,378,416	7.50
Forfeited	<u>(3,787,875)</u>	<u>0.42</u>
Outstanding at 31 December 2022	49,029,906	2.27
Forfeited	<u>(15,606,049)</u>	<u>0.34</u>
Outstanding at 31 December 2023	33,423,857	3.17
Granted	33,226,890	0.69
Forfeited	<u>(2,727,270)</u>	<u>0.38</u>
Cancelled ⁽ⁱ⁾	<u>(10,196,601)</u>	<u>7.50</u>
Outstanding at 31 December 2024	53,726,876	0.55
Granted	3,030,300	1.60
Forfeited	<u>(303,030)</u>	<u>0.69</u>
Outstanding at 31 May 2025	<u><u>56,454,146</u></u>	<u><u>0.59</u></u>

Note:

- (i) In March 2024, the Board of Directors resolved to cancel certain RSUs granted to four employees (the “Cancellation”) with no compensation for the Cancellation after negotiation with these employees. The Cancellation was accounted for as accelerated vesting, therefore, the amount that would otherwise have been recognised for services received is recognised immediately.

The weighted average remaining contractual life for RSUs was 7.83 years, 6.96 years, 8.22 years and 7.77 years as of 31 December 2022, 2023, 2024 and 31 May 2025, respectively.

(c) Fair value and assumptions

The Group has applied Binomial Option Pricing Model to determine the fair value of the RSUs/share options granted. Best estimates of key assumptions are required to be determined by management. Key assumptions used in determining the fair value of the RSUs/share options granted are as follows:

	<u>2017 Share Incentive Scheme</u>	<u>2018 Share Incentive Scheme</u>
Fair value of the underlying shares on the date of option grants	RMB0.13 - RMB21.34	RMB1.12 - RMB9.21
Expected volatility	51.5% - 72.9%	51.5% - 72.9%
Risk-free interest rate	2.47% - 3.81%	1.50% - 3.81%
Dividend Yield	—	—

As for the 2017 Plan and 2018 RSU Scheme, the expected volatility was referenced to the average of daily historical share price volatility of comparable companies operating in similar industry of Liangkebang and Liangzi Data, respectively. The valuation was based on the assumption that no dividends will be distributed. The equity instruments were granted under service period condition.

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(d) Equity-settled share-based payment expenses recognised in the consolidated statements of profit or loss and other comprehensive income during the Track Record Period:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Cost of sales	163	(1,602)	2,587	713	806
Research and development expenses	1,629	(602)	4,618	1,995	2,369
General and administrative expenses	14,031	(5,078)	29,038	14,458	7,795
Sales and marketing expenses	—	—	705	177	154
	<u>15,823</u>	<u>(7,282)</u>	<u>36,948</u>	<u>17,343</u>	<u>11,124</u>

26 Capital, reserves and dividends

(a) Share capital

The share capital as at 31 December 2022, 2023, 2024 and 31 May 2025 represented the issued share capital of the Company, comprising 500,000,000 shares at USD0.0001 each.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 31 March 2022. Its initial authorised share capital of USD50,000 divided into 500,000,000 shares with a par value of USD0.0001 each. In contemplation of the [REDACTED] and to reflect the onshore shareholding structure, the Company allotted and issued a total of 237,091,500 ordinary shares to the offshore holding companies and a total of 262,908,500 ordinary shares with preferred rights to onshore Preferred Investors’ affiliates in 2022, of which 500,000,000 shares were credited as fully paid with amount of USD50,000.

(b) Nature and purpose of reserves

(i) Capital reserve

For the purpose of the Historical Financial Information, the aggregate amount of the paid-in capital of all the entities comprising the Group at the respective dates were recorded as capital reserve, after elimination of investments in subsidiaries.

(ii) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period (see Note 2(f)).

(iii) Other reserve

Other reserve comprises the portion of the grant date fair value of share options and RSUs granted to the employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(q)(ii), less the amount of financial liabilities recognised (see Note 24).

As disclosed in Note 24, the Company recognised the financial liabilities arising from the redemption obligations at present value of redemption amount, with changes in such carrying amounts being booked in profit or loss. When the preferential rights are automatically terminated upon the [REDACTED], the carrying amount of the liabilities will then be reclassified from current liabilities to other reserve with no further gain or loss.

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(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities with functional currency other than RMB.

(c) *Dividends*

No dividends have been declared or paid by the Company during the Track Record Period.

(d) *Capital management*

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

(e) *Movements in components of equity*

The changes of each component of the Group’s consolidated equity during the Track Record Period are set out in the consolidated statements of changes in equity.

Details of changes in the Company’s individual components of equity since its date of incorporation to 31 May 2025 are set out below:

	Note	Share capital RMB’000	Other reserve RMB’000	Accumulated losses RMB’000	Exchange reserve RMB’000	Total RMB’000
At 31 March 2022		—	—	—	—	—
Changes in equity for 2022:						
Loss and other comprehensive income						
for the period		—	—	(103,262)	(4)	(103,266)
Issuance of shares	26(a)	350	—	—	—	350
Recognition of financial instruments						
with preferred rights	24(b)	—	(1,331,531)	—	—	(1,331,531)
Balance at 31 December 2022 and						
1 January 2023		350	(1,331,531)	(103,262)	(4)	(1,434,447)
Change in equity for 2023:						
Loss and other comprehensive income						
for the year		—	—	(149,305)	3	(149,302)
Balance at 31 December 2023 and						
1 January 2024		350	(1,331,531)	(252,567)	(1)	(1,583,749)
Change in equity for 2024:						
Loss and other comprehensive income						
for the year		—	—	(173,006)	(7)	(173,013)

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	Note	Share capital RMB’000	Other reserve RMB’000	Accumulated losses RMB’000	Exchange reserve RMB’000	Total RMB’000
Balance at 31 December 2024 and						
1 January 2025		<u>350</u>	<u>(1,331,531)</u>	<u>(425,573)</u>	<u>(8)</u>	<u>(1,756,762)</u>
Change in equity for five month ended						
31 May 2025:						
Loss and other comprehensive income						
for the period		<u>—</u>	<u>—</u>	<u>(72,030)</u>	<u>(68)</u>	<u>(72,098)</u>
Balance at 31 May 2025		<u>350</u>	<u>(1,331,531)</u>	<u>(497,603)</u>	<u>(76)</u>	<u>(1,828,860)</u>

27 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group’s business.

As at 31 December 2022, the Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade receivables and other receivables. The Group’s exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with a minimum credit rating, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk as at 31 December 2022, 2023, 2024 and 31 May 2025.

Trade receivables

Trade receivables are non-interest bearing and are generally on terms between 1 to 180 days. In some cases, these terms are extended for certain qualified long-term customers who have met specific credit requirements. The Group does not have any off-balance-sheet credit exposure related to its customers.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2022, 2023, 2024 and 31 May 2025, 98.86%, 99.63%, 99.85% and 99.93%, of the total trade receivables was due from the Group’s five largest debtors.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group’s historical credit loss experience indicate significantly different loss patterns for different customer segments, the Group distinguished the loss allowance between E-commerce services

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customers and other customers. The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables as at 31 December 2022, 2023, 2024 and 31 May 2025:

	31 December 2022		
	Expected loss rate	Gross carrying amount	Loss allowance
		RMB’000	RMB’000
E-commerce services customers			
Current	1.58%	253,564	3,995
Other customers			
Current	0.89%	5,558	49
Overdue within 3 months	2.74%	21	1
Overdue more than 1 year	100.00%	544	544
		259,687	4,589
Provision on individual basis for a specific customer		11,545	8,416
		<u>271,232</u>	<u>13,005</u>

	31 December 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
		RMB’000	RMB’000
E-commerce services customers			
Current	1.58%	421,526	6,641
Other customers			
Current	0.07%	18,379	12
Overdue within 3 months	0.30%	6,891	21
Overdue after 3 months but within 6 months	0.95%	1	*
Overdue after 6 months but within 9 months	5.60%	2	*
Overdue after 9 months but within 1 year	90.00%	3	3
Overdue more than 1 year	100.00%	547	547
		447,349	7,224
Provision on individual basis for a specific customer		11,545	8,416
		<u>458,894</u>	<u>15,640</u>

* Amount less than RMB500.

	31 December 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
		RMB’000	RMB’000
E-commerce services customers			
Current	1.58%	619,155	9,783
Other customers			
Current	0.09%	28,153	24
Overdue more than 1 year	100.00%	553	553
		647,861	10,360
Provision on individual basis for a specific customer		915	—
		<u>648,776</u>	<u>10,360</u>

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	31 May 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
		RMB’000	RMB’000
E-commerce services customers			
Current	1.58%	727,520	11,495
Other customers			
Current	0.09%	26,718	24
Overdue within 3 months	0.57%	735	4
Overdue after 3 months but within 6 months	1.71%	379	6
Overdue more than 1 year	100.00%	553	553
		<u>755,905</u>	<u>12,082</u>

Movements in the loss allowance account in respect of trade receivables during the year are as follows:

	Years ended 31 December			Five months ended 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Balance at 1 January	3,169	13,005	15,640	10,360
Impairment losses recognised/(reversed) during the year/period (i) ...	9,836	2,635	(5,280)	1,722
Balance at 31 December/31 May	<u>13,005</u>	<u>15,640</u>	<u>10,360</u>	<u>12,082</u>

Note:

- (i) As at 31 December 2022 and 2023, the Group measured loss allowances for trade receivables from a customer involved in litigation based on individual basis. In 2024, the above-mentioned customer repaid RMB10,130,000 to the Group following the court’s judgment, and the Group reversed impairment losses of RMB7,000,000 on these trade receivables accordingly.

Other receivables

For other receivables, the Group measures loss allowance at an amount equal to 12-months ECLs. ECLs on these financial assets are estimated based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. The Group considers that its exposure to credit risk arising from default of the counterparties is limited.

(b) Liquidity risk

The Group’s policy is to regularly monitor current and expected liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

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The following tables show the remaining contractual maturities at the end of the reporting period of the Group’s non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	As at 31 December 2022 contractual undiscounted cash outflow					Carrying amounts in the consolidated statements of financial position
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Trade payables (Note 19)	30,434	—	—	—	30,434	30,434
Lease liabilities (Note 23)	4,448	141	—	—	4,589	4,527
Accrued expenses and other current liabilities (Note 20)	21,933	—	—	—	21,933	21,933
Financial instruments with preferred rights (Note 24)	1,415,614	—	—	—	1,415,614	1,415,614
	<u>1,472,429</u>	<u>141</u>	<u>—</u>	<u>—</u>	<u>1,472,570</u>	<u>1,472,508</u>
	As at 31 December 2023 contractual undiscounted cash outflow					Carrying amounts in the consolidated statements of financial position
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Trade payables (Note 19)	31,886	—	—	—	31,886	31,886
Bank and other borrowings (Note 22)	23,608	—	2,835	—	26,443	25,835
Lease liabilities (Note 23)	5,277	5,157	14,652	—	25,086	22,609
Accrued expenses and other current liabilities (Note 20)	29,927	—	—	—	29,927	29,927
Financial instruments with preferred rights (Note 24)	1,557,175	—	—	—	1,557,175	1,557,175
	<u>1,647,873</u>	<u>5,157</u>	<u>17,487</u>	<u>—</u>	<u>1,670,517</u>	<u>1,667,432</u>
	As at 31 December 2024 contractual undiscounted cash outflow					Carrying amounts in the consolidated statements of financial position
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Trade payables (Note 19)	62,285	—	—	—	62,285	62,285
Bank and other borrowings (Note 22)	18,413	—	7,665	—	26,078	25,665
Lease liabilities (Note 23)	5,157	5,037	8,242	—	18,436	16,949
Accrued expenses and other current liabilities (Note 20)	53,741	—	—	—	53,741	53,741
Financial instruments with preferred rights (Note 24)	1,712,893	—	—	—	1,712,893	1,712,893
	<u>1,852,489</u>	<u>5,037</u>	<u>15,907</u>	<u>—</u>	<u>1,873,433</u>	<u>1,871,533</u>

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	As at 31 May 2025 contractual undiscounted cash outflow					Carrying amounts in the consolidated statements of financial position
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade payables (Note 19)	41,416	—	—	—	41,416	39,558
Bank and other borrowings (Note 22)	37,310	—	7,665	—	44,975	43,729
Lease liabilities (Note 23)	5,096	5,495	6,868	—	17,459	16,288
Accrued expenses and other current liabilities (Note 20)	19,916	—	—	—	19,916	19,916
Financial instruments with preferred rights (Note 24)	1,782,285	—	—	—	1,782,285	1,782,285
	<u>1,886,023</u>	<u>5,495</u>	<u>14,533</u>	<u>—</u>	<u>1,906,051</u>	<u>1,901,776</u>

(c) *Interest risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s interest rate risk arising from lease liabilities, bank and other borrowings and financial instruments with preferred rights is not significant as these financial instruments primarily are at fixed rate.

(d) *Currency risk*

The Group is exposed to currency risk primarily through financing which give rise to cash and cash equivalents and other borrowings balances that are denominated in a currency other than the functional currency of the Group’s subsidiaries to which they relate. The currencies giving rise to this risk are primarily USD and HKD.

(i) *Exposure to currency risk*

The following table details the Group’s exposure at the end of each reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the respective year/period end dates. Differences resulting from the translation of financial statements of foreign operations into the Group’s presentation currency are excluded.

	As at 31 December 2022		As at 31 December 2023		As at 31 December 2024		As at 31 May 2025	
	Asset RMB’000	Liability RMB’000	Asset RMB’000	Liability RMB’000	Asset RMB’000	Liability RMB’000	Asset RMB’000	Liability RMB’000
USD	—	—	240	2,835	25	5,357	24	4,779
HKD	—	—	610	—	3,616	—	3,460	2,951

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(ii) Sensitivity analysis

The following table details the Group’s sensitivity to a 10% increase or decrease in exchange rate of each foreign currency against RMB, while all other variables are held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of each of the reporting period.

	As at 31 December 2022		As at 31 December 2023		As at 31 December 2024		As at 31 May 2025	
	HKD	USD	HKD	USD	HKD	USD	HKD	USD
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Increase/(decrease) in profit after tax for the year/period:								
— if RMB weakens against foreign currencies	—	—	56	(239)	332	(489)	47	(436)
— if RMB strengthens against foreign currencies	—	—	(56)	239	(332)	489	(47)	436

28 Material related party transactions

The Group entered into the following significant related party transactions during the Track Record Period:

(a) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company’s directors.

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors as disclosed in Note 8:

	Years ended 31 December			Five months ended 31 May	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Short-term employee benefits	16,194	12,817	12,553	4,138	5,670
Equity-settled share-based payment	8,866	(2,458)	35,699	9,342	8,997
	<u>25,060</u>	<u>10,359</u>	<u>48,252</u>	<u>13,480</u>	<u>14,667</u>

Total remuneration was included in “staff costs” (see Note 6(b)).

(b) During the Track record Period, transactions with the following parties are considered as related party transactions:

Name of parties	Relationship with the Group
天津自牧金科科技有限公司 Tianjin Zimu Jinke Technology Co., Ltd.*	Controlled by an executive director
海南自牧網絡科技有限公司 Hainan Zimu Network Technology Co., Ltd.*	Controlled by an executive director
鷹潭市信江廣達小額貸款股份有限公司 Yingtian Xinjiang Guangda Microfinance Co., Ltd.*	Controlled by an executive director
寧波自牧信息技術有限公司 Ningbo Zimu Information Technology Co., Ltd.*	Controlled by an executive director

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<u>Name of parties</u>	<u>Relationship with the Group</u>
北京量科邦信息技术有限公司	
Beijing Liangkebang Information Technology Co., Ltd.*	Controlled by an executive director
天津市量化派商贸有限公司	
Tianjin Quanpai Trading Co., Ltd.*	Controlled by an executive director
北京量星科技有限公司	
Beijing Quantity Star Technology Co., Ltd.*	Controlled by an executive director
北京喜推科技有限公司	
Beijing Xitui Technology Co., Ltd.*	Controlled by an executive director
北京昱瞳科技有限公司	
Beijing Yutong Technology Co., Ltd.*	Controlled by an executive director

* English names of these companies are for reference only and have not been registered.

(c) Significant transactions with related parties

The principal transactions which were carried out in the ordinary course of business are as follows:

	<u>Years ended 31 December</u>			<u>Five months ended 31 May</u>	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
				<u>(unaudited)</u>	
Revenue from financial institutions					
Yingtian Xinjiang Guangda Microfinance Co., Ltd.	9,358	14,161	12,908	10,986	—
Trade receivables extension fee					
Yingtian Xinjiang Guangda Microfinance Co., Ltd.	—	—	7,102	—	—
New loans to a related party					
Beijing Xitui Technology Co., Ltd.	160	—	—	—	—
Loan principals proceeded from a related party					
Beijing Xitui Technology Co., Ltd.	160	—	—	—	—
Proceeds from disposal of the financial assets					
Tianjin Zimu Jinke Trading Co., Ltd.	51,000	—	—	—	—
Prepayments for acquisition of properties from a related party (i):					
Hainan Zimu Network Technology Co., Ltd.	29,000	—	—	—	—
Recovering prepayments for acquisition of properties and compensation from a related party (i):					
Hainan Zimu Network Technology Co., Ltd.	—	30,450	—	—	—

Note:

- (i) During the year ended 31 December 2022, the Group made a prepayment to Hainan Zimu to acquire a property in Hainan and the Group recovered the above-mentioned prepayments with amount of RMB29,000,000 from Hainan Zimu in 2023 together with compensation with amount of RMB1,450,000 (see Note 15).

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(d) Balances with related parties as at the end of each reporting period

	As at 31 December			As at 31 May
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Trade in nature				
Trade receivables				
Yingtian Xinjiang Guangda Microfinance Co., Ltd.	244,244	421,526	619,554	727,520
Accrued expenses and other current liabilities				
Beijing Yutong Technology Co., Ltd.	—	184	—	—
Non-trade in nature				
Prepaid expenses and other receivables				
Yingtian Xinjiang Guangda Microfinance Co., Ltd.*	—	—	3,634	—
Other non-current assets				
Hainan Zimu Network Technology Co., Ltd.	29,000	—	—	—
Amounts due from certain shareholders of the Company				
(Note 17)	213	—	—	—

* The Prepaid expenses and other receivables from Yingtian Xinjiang Guangda Microfinance Co., Ltd. was fully settled in March 2025.

29 Disposal of subsidiaries

During the Track Record Period, Hainan Liangdian Technology Co., Ltd. (海南量點科技有限公司”Hainan Liangdian”) and Hainan Liangneng Technology Co., Ltd. (海南量能科技有限公司”Hainan Liangneng”) were disposed of by the Group.

On 11 January 2022, the Group has entered into a contract with non-related individuals, to transfer its 100% equity interests in Hainan Liangneng at a consideration of RMB100,000, recognising gain on disposal of a subsidiary amounting to RMB33,000.

On 8 May 2022, the Group has entered into a contract with a third party to transfer its 100% equity interests in Hainan Liangdian at a consideration of RMB1,100,000.

The financial information of Hainan Liangdian, at the date of disposal in 2022, is as follows:

	Hainan Liangdian
	RMB’000
CURRENT ASSETS	
Prepayments, deposits and other receivables	7
Cash and cash equivalents	560
Trade receivables	807
Inventory	37
	1,411
CURRENT LIABILITIES	
Trade and bills payables	592
Other payables and accruals	124
	716
NET CURRENT ASSETS	695
TOTAL ASSETS LESS CURRENT LIABILITIES	695
NET ASSETS	695

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	<u>Hainan Liangdian</u> RMB’000
Consideration of disposal	
Cash Consideration received/receivable	1,100
Less: net assets	695
Gain on disposal of a subsidiary	405
Net cash outflow arising on disposal	
Total cash consideration received	1,100
Less: cash and cash equivalents disposed of subsidiaries	560
Net inflow of cash and cash equivalents in respect of the disposal	540

30 Events after the reporting period

[There were no material subsequent events after 31 May 2025 and up to date of this report.]

31 Immediate and ultimate controlling party

The directors of the Company consider the ultimate controlling party of the Company as at 31 May 2025 to be Mr. Zhou Hao.

32 Possible impact of amendments, new standards and interpretations issued but not yet effective for the accounting period beginning on 1 January 2025

Up to the date of this report, the IASB has issued a number of amendments and new standards which are not yet effective for the accounting period beginning on 1 January 2025 and which have not been adopted in the Historical Financial Information. These developments include the following.

	<u>Effective for accounting periods beginning on or after</u>
Amendments to IFRS 9 and IFRS 7: <i>Contracts Referencing Nature-dependent Electricity</i> ..	1 January 2026
Amendments to IFRS 9 and IFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be decided

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries comprising the Group in respect of any period subsequent to 31 May 2025.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF THE ARTICLES OF OUR COMPANY AND CAYMAN COMPANIES ACT

Set out below is a summary of certain provisions of the constitution of the Company and certain aspects of the company laws of the Cayman Islands.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on March 31, 2022 under the Companies Act. The Company’s constitutional documents consist of the Memorandum of Association and the Articles of Association.

1. MEMORANDUM OF ASSOCIATION

The Memorandum provides, *inter alia*, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted (and therefore include acting as an investment holding company) and that the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on [•] and will become effective on the [REDACTED]. A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) *Classes of Shares*

The share capital of the Company consists of a single class of ordinary shares.

(b) *Variation of Rights of Existing Shares or Classes of Shares*

If at any time the share capital of the Company is divided into different classes of Shares, all or any of the rights attached to any class of Shares for the time being issued (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued Shares of that class, or with the approval of a resolution passed by at least three-fourths of the votes cast by the holders of the Shares of that class present and voting in person (whether physically or by virtual attendance with the use of technology) or by proxy at a separate meeting of such holders. The provisions of the Articles relating to general meetings shall apply *mutatis mutandis* to every such separate meeting, except that the necessary quorum shall be two persons together holding (or, in the case of a member being a corporation, by its duly authorized representative), or representing by proxy, at least one-third of the issued Shares of that class. Every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him, and any holder of Shares of the class present in person (whether physically or by virtual attendance with the use of technology), or by proxy may demand a poll.

For the purposes of a separate class meeting, the Board may treat two or more classes of Shares as forming one class of Shares if the Board considers that such classes of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

Any rights conferred upon the holders of Shares of any class shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

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(c) *Alteration of Capital*

The Company may by ordinary resolution:

- (i) increase its share capital by the creation of new Shares of such amount and with such rights, priorities and privileges attached to such Shares as it may determine;
- (ii) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares. On any consolidation of fully paid Shares and division into Shares of a larger amount, the Board may settle any difficulty which may arise as it thinks expedient and, in particular (but without prejudice to the generality of the foregoing), may as between the holders of Shares to be consolidated determine which particular Shares are to be consolidated into a consolidated Share, and if it shall happen that any person shall become entitled to fractions of a consolidated Share or Shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the Shares so sold to the purchaser(s) thereof and the validity of such transfer shall not be questioned, and the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated Share or Shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
- (iii) sub-divide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum; and
- (iv) cancel any Shares which, as at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so canceled.

The Company may by special resolution reduce its share capital or any undistributable reserve, subject to the provisions of the Companies Act.

(d) *Transfer of Shares*

Subject to the terms of the Articles, any member of the Company may transfer all or any of his Shares by an instrument of transfer. If the Shares in question were issued in conjunction with rights, options, warrants or units issued pursuant to the Articles on terms that one cannot be transferred without the other, the Board shall refuse to register the transfer of any such Share without evidence satisfactory to it of the like transfer of such right, option, warrant or unit.

Subject to the Articles and the requirements of the Stock Exchange, all transfers of Shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a recognized clearing house or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the register of members of the Company in respect of that Share.

Subject to the provisions of the Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or

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locations within or outside the Cayman Islands as the Board thinks fit. The Board may, in its absolute discretion, at any time transfer any Share on the principal register to any branch register or any Share on any branch register to the principal register or any other branch register.

The Board may, in its absolute discretion, decline to register a transfer of any Share (not being a fully paid Share) to a person of whom it does not approve or on which the Company has a lien, or a transfer of any Share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any Share to more than four joint holders. It may also decline to recognize any instrument of transfer if the proposed transfer does not comply with the Articles or any requirements of the Listing Rules.

The Board may decline to recognize any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of Share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules and the relevant section of the Companies Ordinance, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

Fully paid Shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(e) *Redemption of Shares*

Subject to the provisions of the Companies Act, the Listing Rules and any rights conferred on the holders of any Shares or attaching to any class of Shares, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the members or the Company. The redemption of such Shares shall be effected in such manner and upon such other terms as the Company may by special resolution determine before the issue of such Shares.

(f) *Power of the Company to Purchase its own Shares*

Subject to the Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which includes redeemable Shares), provided that the manner and terms of purchase have first been authorized by ordinary resolution and that any such purchase shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the Stock Exchange and/or the SFC from time to time in force.

(g) *Power of any Subsidiary of the Company to own Shares in the Company*

There are no provisions in the Articles relating to the ownership of Shares in the Company by a subsidiary.

(h) *Calls on Shares and Forfeiture of Shares*

Subject to the terms of allotment and issue of any Shares (if any), the Board may, from time to time,

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make such calls as it thinks fit upon the members in respect of any monies unpaid on the Shares held by them (whether in respect of par value or share premium). A member who is the subject of the call shall (subject to receiving at least 14 clear days’ notice specifying the time or times for payment) pay to the Company at the time or times so specified the amount called on his Shares. A call may be made payable either in one sum or by installments, and shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed. The joint holders of a Share shall be severally as well as jointly liable for the payment of all calls and installments due in respect of such Share.

If a call remains unpaid after it has become due and payable, the member from whom the sum is due shall pay interest on the unpaid amount at such rate as the Board shall determine (together with any expenses incurred by the Company as a result of such non-payment) from the day it became due and payable until it is paid, but the Board may waive payment of such interest or expenses in whole or in part.

If a member fails to pay any call or installment of a call after it has become due and payable, the Board may, for so long as any part of the call or installment remains unpaid, give to such member not less than 14 clear days’ notice requiring payment of the unpaid amount together with any interest which may have accrued and which may still accrue up to the date of payment (together with any expenses incurred by the Company as a result of such non-payment). The notice shall specify a further day on or before which the payment required by the notice is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the Shares in respect of which the call was made will be liable to be forfeited.

If such notice is not complied with, any Share in respect of which the notice was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends, other distributions and other monies payable in respect of the forfeited Share and not paid before the forfeiture.

A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, shall surrender to the Company for cancellation the certificate(s) for the Shares forfeited and shall remain liable to pay to the Company all monies which, as at the date of forfeiture, were payable by him to the Company in respect of the Shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of payment as the Board may determine and any expenses incurred by the Company as a result of such non-payment.

2.2 Directors

(a) *Appointment, Retirement and Removal*

The Company may by ordinary resolution of the members elect any person to be a Director. The Board may also appoint any person to be a Director at any time, either to fill a casual vacancy or as an additional Director subject to any maximum number fixed by the members in general meeting or the Articles. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The members may by ordinary resolution remove any Director (including a managing or executive Director) before the expiration of his term of office, notwithstanding anything in the Articles or any

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agreement between the Company and such Director, and may by ordinary resolution elect another person in his stead. Nothing shall be taken as depriving a Director so removed of any compensation or damages payable to such Director in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director.

The office of a Director shall be vacated if:

- (i) the Director gives notice in writing to the Company that he resigns from his office as Director;
- (ii) the Director is absent, without being represented by proxy or an alternate Director appointed by him, for a continuous period of 12 months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;
- (iii) the Director becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (iv) the Director dies or an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
- (v) the Director is prohibited from being or ceases to be a Director by operation of law;
- (vi) the Director has been required by the Stock Exchange to cease to be a Director or no longer qualifies to be a Director pursuant to the Listing Rules; or
- (vii) the Director is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

At each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. If the number of Directors is not a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire at each annual general meeting shall be those who have been in office longest since their last re-election or appointment and, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(b) *Power to Allot and Issue Shares and other Securities*

Subject to the provisions of the Companies Act, the Memorandum and Articles and, where applicable, the Listing Rules, and without prejudice to any rights or restrictions for the time being attached to any Shares, the Board may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise, to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, provided that no Shares shall be issued at a discount to their par value.

The Company may issue rights, options, warrants or convertible securities or securities of a similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of Shares or other securities in the Company on such terms as the Board may from time to time determine.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of Shares, to make, or make available, any such allotment, offer, option or Shares to members or others whose registered addresses are in any particular territory or territories

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where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(c) ***Power to Dispose of the Assets of the Company or any of its Subsidiaries***

Subject to the provisions of the Companies Act and the Memorandum and Articles, the Board may exercise all powers and do all acts and things which may be exercised or done by the Company to dispose of the assets of the Company or any of its subsidiaries. No alteration to the Memorandum or Articles shall invalidate any prior act of the Board which would have been valid if such alteration or direction had not been made or given.

(d) ***Borrowing Powers***

The Board may exercise all the powers of the Company to raise or borrow money, secure the payment of any sum or sums of money for the purposes of the Company, mortgage or charge all or any part of its undertaking, property and uncalled capital of the Company, and, subject to the Companies Act, issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(e) ***Remuneration***

A Director shall be entitled to receive such sums as shall from time to time be determined by the Board or the Company in general meetings. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in connection with attendance at meetings of the Board or committees of the Board, or general meetings of the Company or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company and the discharge of their duties as Directors, and/or to receive fixed allowances in respect thereof as may be determined by the Board.

The Board or the Company in general meetings may also approve additional remuneration to any Director for any services which in the opinion of the Board or the Company in general meetings go beyond such Director's ordinary routine work as a Director.

(f) ***Compensation or Payments for Loss of Office***

There are no provisions in the Articles relating to compensation or payment for loss of office.

(g) ***Loans to Directors***

There are no provisions in the Articles relating to making of loans to Directors.

(h) ***Disclosure of Interest in Contracts with the Company or any of its Subsidiaries***

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director, officer or member of any other company in which

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the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company.

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, nor shall any such contract or any other contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director is in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realized by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding such office or of the fiduciary relationship established by it, provided that the nature of interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director or alternate Director at or prior to the consideration and vote thereon.

A Director shall not vote on (or be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or other proposal in which he or any of his close associate(s) has a material interest, and if he shall do so his vote shall not be counted and he shall not be counted in the quorum for such resolution. This prohibition shall not apply to any of the following matters:

- (i) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of Shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub- underwriting of the offer;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of (A) any employees’ share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit or (B) any pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of Shares, debentures or other securities of the Company by virtue only of his/their interest in those Shares, debentures or other securities.

2.3 Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Unless otherwise determined, two Directors shall be a quorum. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

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2.4 Alterations to the Constitutional Documents and the Company’s Name

The Memorandum and Articles may only be altered or amended, and the name of the Company may only be changed, by special resolution of the Company.

2.5 Meetings of Members

(a) *Special and Ordinary resolutions*

A special resolution must be passed by a majority of not less than two-thirds (other than in relation to any resolution approving changes to the Company’s constitutional documents or a voluntary winding up of the Company, in which case a special resolution must be passed by a majority of not less than three-fourths) of the voting rights held by such members as, being entitled so to do, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any members which is a corporation, by its duly authorized representative(s) or by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. A special resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

An ordinary resolution, in contrast, is a resolution passed by a simple majority of the voting rights held by such members as, being entitled to do so, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any member which is a corporation, by its duly authorized representative(s) or by proxy, at a general meeting. An ordinary resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

The provisions of special resolutions and ordinary resolutions shall apply *mutatis mutandis* to any resolutions passed by the holders of any class of shares.

(b) *Voting Rights and Right to Demand a Poll*

Subject to any rights, restrictions or privileges as to voting for the time being attached to any class or classes of Shares, at any general meeting: (a) on a poll every member present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorized representative or by proxy shall have one vote for every Share and (b) on a show of hands every member who is present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorized representative or by proxy shall have one vote. For the avoidance of doubt, votes may be cast by members by electronic means, if such means are provided.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

No person shall be counted in a quorum or be entitled to vote at any general meeting unless he is registered as a member on the record date for such meeting, nor unless all calls or other monies then payable by him in respect of the relevant Shares have been paid.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution which relates

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purely to a procedural or administrative matter to be voted on by a show of hands (whether physically or by virtual attendance with the use of technology).

Any corporation or other non-natural person which is a member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body or by power of attorney, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorized shall be entitled to exercise the same powers as the corporation or other non-natural person could exercise as if it were a natural person member of the Company.

If a recognized clearing house or its nominee(s) is a member of the Company, it may appoint proxies or authorize such person or persons as it thinks fit to act as its representative(s), who enjoy rights equivalent to the rights of other members, at any meeting of the Company (including but not limited to general meetings and creditors meetings) or at any meeting of any class of members of the Company, provided that if more than one person is so authorized, the authorization shall specify the number and class of Shares in respect of which each such person is so authorized. A person so authorized shall be entitled to exercise the same rights and powers on behalf of the recognized clearing house or its nominee(s) as if such person were a natural person member of the Company, including the right to speak and vote individually on a show of hands or on a poll (whether physically or by virtual attendance with the use of technology).

All members of the Company (including a member which is a recognized clearing house (or its nominee(s))) shall have the right to (i) speak at a general meeting and (ii) and vote at a general meeting (whether physically or by virtual attendance with the use of technology), except where a member is required by the Listing Rules to abstain from voting to approve the matter under consideration. Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(c) *Annual General Meetings and Extraordinary General Meetings*

The Company must hold a general meeting as its annual general meeting in each financial year. Such meeting shall be specified as such in the notices calling it, and must be held within six months after the end of the Company’s financial year. A meeting of the members or any class thereof may be held by telephone, tele-conferencing or other electronic means, provided that all participants are able to communicate contemporaneously with one another, and participation in a meeting in such manner shall constitute presence at such meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. In addition, one or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per Share basis) in the share capital of the Company may make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a meeting. Such requisition, which must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists, shall be deposited at the principal place of business of the Company in Hong Kong SAR or, in the event the Company ceases to have such a principal place of business, the registered office of the Company. If the Board does not within 21 days from the date of deposit of such requisition duly proceed to convene a general meeting to be held within the following 21 days, the requisitionists or any of them representing more than one-half of the total voting rights of all the requisitionists may themselves convene a general meeting, but any such

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meeting so convened shall be held no later than the day falling three months after the expiration of the said 21-day period. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by the Board, and all reasonable expenses incurred by the requisitionists shall be reimbursed to the requisitionists by the Company.

(d) *Notices of Meetings and Business to be Conducted*

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the date, time, place and agenda of the meeting, the particulars of the resolution(s) to be considered at the meeting, the general nature of the business to be considered at the meeting and details for member to attend the meeting virtually with the use of technology (if applicable).

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address, (to the extent permitted by the Listing Rules and all applicable laws and regulations) by electronic means or (in the case of a notice) by advertisement published in the manner prescribed under the Listing Rules.

Notwithstanding that a meeting of the Company is called by shorter notice than as specified above, if permitted by the Listing Rules, such meeting may be deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights held by such members.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board in its absolute discretion consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Board also has the power to provide in every notice calling a general meeting that in the event of a gale warning, a black rainstorm warning or extreme conditions is/are in force at any time on the day of the general meeting (unless such warning is canceled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

- (i) the Company shall endeavor to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning, a black rainstorm warning or extreme conditions being in force on the day of the general meeting;

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- (ii) the Board shall determine the date, time, place and details for members to attend virtually with the use of technology for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting. Such notice shall specify the date, time and place at which the postponed meeting will be reconvened, details for members to attend such postponed meeting virtually with the use of technology (if applicable) and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and
- (iii) only the business set out in the notice of the original meeting shall be considered at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be considered at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be considered at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles.

(e) *Quorum for Meetings and Separate Class Meetings*

No business shall be considered at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (whether physically or by virtual attendance with the use of technology), or in the case of a member being a corporation, by its duly authorized representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to approve the variation of class rights, the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued Shares of that class.

(f) *Proxies*

Any member of the Company (including a member which is a recognized clearing house (or its nominee(s))) entitled to attend and vote at a meeting of the Company is entitled to appoint another person (being a natural person) as his proxy to attend and vote in his place. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is a natural person and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were a natural person member present in person (whether physically or by virtual attendance with the use of technology) at any general meeting. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing and executed under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation or other non-natural person, either under its seal or under the hand of a duly authorized representative. The appointor should be allowed to send the instrument appointing a proxy by electronic means.

The Board shall, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall

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be sent by electronic means (if such means are provided) or deposited and the place and time (being no later than the time appointed for the commencement of the meeting or adjourned meeting to which the instrument of proxy relates) at which such instrument shall be deposited.

Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form that complies with the Listing Rules as the Board may from time to time approve. Any form issued to a member for appointing a proxy to attend and vote at a general meeting at which any business is to be considered shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favor of or against (or, in default of instructions, to exercise the discretion of the proxy in respect of) each resolution dealing with any such business.

2.6 Accounts and Audit

The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company’s affairs and to explain its transactions in accordance with the Companies Act.

The books of accounts of the Company shall be kept at the principal place of business of the Company in Hong Kong SAR or, subject to the provisions of the Companies Act, at such other place or places as the Board thinks fit and shall always be open to inspection by any Director. No member (not being a Director) or other person shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or as authorized by the Board or the Company in general meeting.

The Board shall cause to be prepared and laid before the Company at every annual general meeting a profit and loss account for the period since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up, a Directors’ report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company’s affairs as at the end of such period, an auditors’ report on such accounts and such other reports and accounts as may be required by law and the Listing Rules.

The members shall at each annual general meeting appoint auditor(s) to hold office by ordinary resolution of the members until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors’ remuneration shall be fixed by the members at the annual general meeting at which they are appointed by ordinary resolution of the members or in any other manner as specified in such ordinary resolution. The members may, at any general meeting convened and held in accordance with the Articles, remove the auditors by ordinary resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in their place for the remainder of the term.

The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

2.7 Dividends and other Methods of Distribution

Subject to the Companies Act and the Articles, the Company may by ordinary resolution resolve to declare dividends and other distributions on Shares in issue in any currency and authorize payment of the dividends or distributions out of the funds of the Company lawfully available therefor, provided that (i) no dividends shall exceed the amount recommended by the Board, and (ii) no dividends or distributions shall be paid except out of the realized or unrealized profits of the Company, out of the share premium account or as otherwise permitted by law.

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The Board may from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. In addition, the Board may from time to time declare and pay special dividends on Shares of such amounts and on such dates as it thinks fit.

Except as otherwise provided by the rights attached to any Shares, all dividends and other distributions shall be paid according to the amounts paid up on the Shares that a member holds during the period in respect of which the dividends and distributions are paid. No amount paid up on a Share in advance of calls shall for this purpose be treated as paid up on the Share.

The Board may deduct from any dividends or other distributions payable to any member of the Company all sums of money (if any) then payable by him to the Company on account of calls or otherwise. The Board may retain any dividends or distributions payable on or in respect of a Share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

No dividends or other distributions payable by the Company on or in respect of any Share shall carry interest against the Company.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may further resolve:

- (a) that such dividend be satisfied in whole or in part in the form of an allotment of Shares credited as fully paid on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or
- (b) that the members entitled to such dividend will be entitled to elect to receive an allotment of Shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee.

Upon the recommendation of the Board, the Company may by ordinary resolution resolve in respect of any one particular dividend of the Company determine that notwithstanding the foregoing, a dividend may be satisfied wholly in the form of an allotment of Shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividends, distributions or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder of such Shares or by cheque or warrant sent by post to the registered address of such holder, or in the case of joint holders, to the registered address of the holder who is first named on the register of members of the Company, or to such person and to such address as the holder or joint holders may in writing direct. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other monies payable in respect of the Shares held by them as joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied in whole or in part by the distribution of specific assets of any kind.

Any dividends or other distributions which remain unclaimed for six years from the date on which such dividends or distributions become payable shall be forfeited and shall revert to the Company.

2.8 Inspection of Corporate Records

For so long as any part of the share capital of the Company is [REDACTED] on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong SAR (except when the

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register of members is closed in accordance with the Companies Ordinance) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

2.9 Rights of Minorities in relation to Fraud or Oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under the Cayman Islands laws, as summarized in paragraph 3.6 below.

2.10 Procedures on Liquidation

Subject to the Companies Act, the members of the Company may by special resolution resolve to wind up the Company voluntarily or by the court.

Subject to any rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of Shares:

- (a) if the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the Company’s paid up capital at the commencement of the winding up, the surplus shall be distributed *pari passu* among such members in proportion to the amount paid up on the Shares held by them at the commencement of the winding up; and
- (b) if the assets available for distribution among the members of the Company are insufficient to repay the whole of the Company’s paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or ought to be paid up, on the Shares held by them at the commencement of the winding up.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the approval of a special resolution and any other approval required by the Companies Act, divide among the members in kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like approval, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator thinks fit, provided that no member shall be compelled to accept any shares or other property upon which there is a liability.

3. COMPANY LAWS OF THE CAYMAN ISLANDS

The Company was incorporated in the Cayman Islands as an exempted company on March 31, 2022 subject to the Companies Act. Certain provisions of the company laws of the Cayman Islands are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the company laws of the Cayman Islands, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

3.1 Company Operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorized share capital.

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3.2 Share Capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called the share premium account. At the option of a company, these provisions may not apply to premium on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) any manner provided in section 37 of the Companies Act;
- (d) writing-off the preliminary expenses of the company; and
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorized to do so by its articles of association, by special resolution reduce its share capital in any way.

3.3 Financial Assistance to Purchase Shares of a Company or its Holding Company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

3.4 Purchase of Shares and Warrants by a Company and its Subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorize the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a

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company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as canceled but shall be classified as treasury shares if held in compliance with the requirements of section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either canceled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under the Cayman Islands laws that a company’s memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

3.5 Dividends and Distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company’s memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company’s assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

3.6 Protection of Minorities and Shareholders’ Suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss vs. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company’s memorandum and articles of association.

3.7 Disposal of Assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably

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prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

3.8 Accounting and Auditing Requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company’s affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 Exchange Control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

3.10 Taxation

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

3.12 Loans to Directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company’s articles of association may provide for the prohibition of such loans under specific circumstances.

3.13 Inspection of Corporate Records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company’s articles of association.

3.14 Register of Members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of

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members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands.

3.15 Register of Directors and Officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers. The Registrar of Companies shall make available the list of the names of the current directors of the Company (and, where applicable, the current alternate directors of the Company) for inspection by any person upon payment of a fee by such person. A copy of the register of directors and officers must be filed with the Registrar of Companies in the Cayman Islands, and any change must be notified to the Registrar of Companies within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

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For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Mergers and

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of each constituent company and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting members have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

3.18 Mergers and Consolidations involving a Foreign Company

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; and (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due

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enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidation is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

3.19 Reconstructions and Amalgamations

Reconstructions and amalgamations may be approved by (i) 75% in value of the members or class of members or (ii) a majority in number representing 75% in value of the creditors or class of creditors, in each case depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, it can be expected that the court would approve the transaction if it is satisfied that (i) the company is not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with, (ii) the members have been fairly represented at the meeting in question, (iii) the transaction is such as a businessman would reasonable approve and (iv) the transaction is not one that would more properly be sanctioned under some other provisions of the Companies Act or that would amount to a “fraud on the minority.”

If the transaction is approved, no dissenting member would have any rights comparable to the appraisal rights (namely the right to receive payment in cash for the judicially determined value of his shares), which may be available to dissenting members of corporations in other jurisdictions.

3.20 Takeovers

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

3.21 Indemnification

The Cayman Islands laws do not limit the extent to which a company’s articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

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3.22 Economic Substance

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (2024 Revision) together with the Guidance Notes published by the Cayman Islands Tax Information Authority from time to time. If a company is considered to be a “relevant entity” and is conducting one or more of the nine “relevant activities”, then such company will be required to comply with the economic substance requirements in relation to the relevant activity from July 1, 2019. All companies whether a relevant entity or not is required to file an annual report with the Registrar of Companies of the Cayman Islands confirming whether or not it is carrying on any relevant activities.

4. GENERAL

Harney Westwood & Riegels, the Company’s legal advisor on Cayman Islands laws, has sent to the Company a letter of advice summarizing the aspects of the Companies Act set out in section 3 above. This letter, together with copies of the Companies Act, the Memorandum and the Articles, is on display on the websites of the Stock Exchange and the Company as referred to in the “- Documents Available on Display” in Appendix V. Any person wishing to have a detailed summary of the Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our Company was incorporated under the laws of the Cayman Islands on March 31, 2022 as an exempted company with limited liability. Our registered office is at Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. Accordingly, our Company’s corporate structure and the Articles are subject to the relevant laws of the Cayman Islands. A summary of our Articles is set out in “Appendix III — Summary of the Articles of our Company and the Cayman Companies Act.”

Our Company has established a principal place of business in Hong Kong SAR at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong SAR, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 16, 2022. Ms. Chu Cheuk Ting (朱卓婷) of 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong SAR, a joint company secretary of our Company, has been appointed as our authorized representative of our Company for the acceptance of service of process and notice in Hong Kong SAR.

2. Changes in Share Capital of Our Company

As at March 31, 2022, being the date of incorporation of our Company, our authorized share capital was US\$50,000, divided into 500,000,000 ordinary shares with a par value of US\$0.0001 each.

The following sets out the changes in the share capital of our Company preceding the date of this document:

On [●], the authorized share capital of our Company was increased from US\$50,000 divided into 500,000,000 Shares with a par value of US\$0.0001 each to US\$[REDACTED] divided into [REDACTED] Shares with a par value of US\$0.0001 each by the creation of an additional [REDACTED] authorized but unissued Shares.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the authorized share capital of our Company will be US\$[REDACTED] divided into [REDACTED] Shares.

Save as disclosed herein, there has been no alteration in our share capital and no redemption, repurchase or sale of any of our share capital since our incorporation.

3. Changes in the Share Capital of our subsidiaries and Consolidated Affiliates Entities

A summary of the corporate information and the particulars of our subsidiaries and Consolidated Affiliated Entities are set out the Accountants’ Report in Appendix I to this document.

The following sets out the changes in the issued share capital or registered capital (as the case may be) during the two years immediately preceding the date of this document. Save as disclosed, there has been no changes in the share capital of our subsidiaries and Consolidated Affiliated Entities within two years immediately preceding the date of this document.

Beijing Quant

On October 11, 2023, the registered capital of Beijing Quant was increased from RMB 10 million to RMB 50 million.

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Quantgroup Technology HK

On April 20, 2022, Quantgroup Technology HK was incorporated in Hong Kong SAR with an issued capital of HK\$1 comprising of one ordinary share, which was allotted and issued to our Company on April 20, 2022.

Hangzhou Quant Technology

On May 5, 2022, Hangzhou Quant Technology was established in the PRC as a limited liability company with a registered capital of US\$200,000, which is held as to 100% by Quantgroup Technology HK.

Hainan Quant

On June 28, 2023, Hainan Quant was established in the PRC as a limited liability company with a registered capital of RMB1,000,000, which is held as to 100% by Hangzhou Quant Technology.

Huijucheng Technology

On May 30, 2022, Huijucheng Technology was established in the PRC as a limited liability company with a registered capital of RMB1,000,000, which is held as to 100% by Hangzhou Quant Technology.

Quantgroup Technology Singapore

On June 27, 2024, Quantgroup Technology Singapore was established in Singapore as private company limited by shares with an issued share capital of US\$10,000, which is held as to 100% by our Company.

Quantgroup Technology US

On February 28, 2025, Quantgroup Technology US was established in California, the United States with a total authorized capital of US\$1,000, which is held as to 100% by Quantgroup Technology Singapore.

4. Resolutions of Our Shareholders dated [●], 2025

Resolutions of our Shareholders were passed on [●], 2025, pursuant to which, among others:

- (a) [the Articles were approved and adopted with effect from the [REDACTED]]; the authorized share capital of our Company was increased from US\$50,000 to US\$[70,000] by the creation of an additional of [REDACTED] Shares with a par value of US\$0.0001 each, each ranking pari passu with our Shares then in issue in all respects;
- (b) [the [REDACTED], the [REDACTED] and the [REDACTED] were approved, subject to such modifications as our Directors (or any committee established by the Board) may in their sole discretion determine, and our Directors or any committee established by the Board were authorized to do all such things as they consider necessary to give effect to the [REDACTED], the [REDACTED] and the [REDACTED]];];
- (c) [subject to the [REDACTED] becoming unconditional, a general mandate was generally and unconditionally granted to our Directors to exercise all the powers of the Company to allot, issue and deal with any Shares or securities convertible into Shares, and to make or grant offers, agreements or options (including any warrants, options, bonds, notes, securities and debentures conferring any rights to subscribe for or otherwise receive Shares) which would or might require Shares to be allotted and issued or dealt with at any time subject to the requirement that the number of Shares so allotted and

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issued or dealt with or agreed conditionally or unconditionally to be allotted and issued or dealt with, shall not exceed the sum of (i) 20% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised); and (ii) the aggregate nominal amount of the Shares repurchased by the Company (if any) pursuant to the authority granted to our Directors as referred to in paragraph (d) below].

This general mandate does not cover [REDACTED] to be allotted, issued, or dealt with pursuant to or in consequence of the [REDACTED], under a rights issue, scrip dividend scheme or similar arrangements, any adjustment of rights to subscribe for [REDACTED] under options and warrants, or a special authority granted by the Shareholders.

- (d) [subject to the [REDACTED] becoming unconditional, a general mandate was generally and unconditionally granted to our Directors to exercise all the powers of our Company to repurchase Shares of such number not exceeding 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

This general mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are [REDACTED] (and which is recognized by the SFC and the Stock Exchange for this purpose), and made in accordance with all applicable laws and regulations and the requirements of the Listing Rules or equivalent rules or regulations of any other stock exchange as amended from time to time.

- (e) [the general mandate as mentioned in paragraph (c) above was extended by the addition to the aggregate nominal value of Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (d) above (up to 10% of the aggregate nominal value of the Shares in issue immediately following completion of the [REDACTED], assuming the [REDACTED] is not exercised)].

[Each of the general mandates referred to in paragraph (c), (d) and (e) will remain effective until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in general meeting, either unconditionally or subject to condition; or
- (ii) the end of the period within which the next annual general meeting of our Company is required to be held under the applicable laws or the Articles; or
- (iii) the date on which it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting of our Company.]

5. Corporate Reorganization

The companies comprising our Group underwent the Reorganization in preparation for the [REDACTED] of the Shares on the Stock Exchange. See “History, Reorganization and Corporate Structure — Reorganization” for further details.

6. Repurchase of Shares by Our Company

This section includes information required by the Stock Exchange to be included in this document concerning the purchase by us of our own securities.

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(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listings are on the Main Board to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders’ approval

All proposed repurchases of securities on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to the resolutions in writing of all our Shareholders passed on [●], a general unconditional mandate (the “**Repurchase Mandate**”) was granted to our Directors authorizing the repurchase by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose, of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue and to be issued immediately following the completion of the [REDACTED], at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles and the laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange as amended from time to time.

(iii) Trading restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate nominal value of the company’s shares in issue on the date the repurchase mandate is granted. A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its securities on the Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase made on behalf of the listed company as the Stock Exchange may require.

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(iv) Status of repurchased securities

A listed company may not make any repurchase of securities after inside information has come to its knowledge until the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for a listed company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, the listed company may not repurchase its securities on the Stock Exchange other than in exceptional circumstances.

(v) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company’s annual report is required to disclose details regarding repurchases of securities made during the year reviewed, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate prices paid.

(vi) Core connected persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a “core connected person,” that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or Consolidated Affiliated Entities or their respective close associates and a core connected person is prohibited from knowingly selling his securities to the company, on the Stock Exchange.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to receive the general authority from our Shareholders to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will be in the interest of our Company and our Shareholders. Such repurchases may, depending on market conditions, funding arrangements and other circumstances at the time, lead to an enhancement of the net value of our Company and its assets and/or its earnings per share.

(c) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles and the applicable laws of the Cayman Islands.

Any payment for the repurchase of Shares will be drawn from the profits or sums standing to the credit of share premium account of our Company or from the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if authorized by the Articles and subject to the Cayman Companies Act, out of capital and, in the case of any premium payable on the purchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Articles and subject to the Cayman Companies Act, out of capital.

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Our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, under the circumstances, have a material adverse effect in the opinion of our Directors on the working capital requirements of our Company or its gearing levels. However, there might be a material adverse impact on the working capital or gearing position of our Company as compared with the position disclosed in this document in the event that the Repurchase Mandate is exercised in full.

(d) Share capital

Exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately after the [REDACTED] of the [REDACTED] (assuming the [REDACTED] is not exercised), could accordingly result in up to [REDACTED] Shares being repurchased by our Company during the period until:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held; or
- (iii) the date on which the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(e) General

None of our Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), has any present intention to sell any Shares to our Company or our subsidiaries or Consolidated Affiliated Entities.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. Our Company has not repurchased any Shares since its incorporation.

No core connected person (as defined in the Listing Rules) of our Company has notified our Company that he/she or it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If as a result of a securities repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of the increase of our Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code as a result. Save as aforesaid, our Directors are not aware of any consequences which may arise under the Takeovers Code if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us within the two years preceding the date of this document and are or may be material:

- (b) the investment agreement of our Company entered into among the Company, Quantgroup Technology HK, Hangzhou Quant Technology, Liangzi Data, Dr. Zhou, Mars Legend, Jupiter Rock, Venus Energy,

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Mercury Valley, Sunshine Life Insurance, East Asia Star Investment (BVI) Limited, Gaorong QTG Holding Limited, Shanghai Super Star Venture Capital Partners (Limited Partnership), CGC Enterprises Limited, Taironghaoyuan Limited, Saturn Storm, Shitai Point, Fuhai Yichuang, Suyuan Limited, Zhiwei Zhizhang, Tianyi Point, Jiaqing Investment, Jiangmen Growth and Shanghai Chuyuan, dated May 9, 2022;

- (c) the extension agreement of the shareholders’ agreement of our Company entered into among the Company, Quantgroup Technology HK, Hangzhou Quant Technology, Liangzi Data, Dr. Zhou, Mars Legend, Jupiter Rock, Venus Energy, Mercury Valley, Sunshine Life Insurance, East Asia Star Investment (BVI) Limited, Gaorong QTG Holding Limited, Shanghai Super Star Venture Capital Partners (Limited Partnership), CGC Enterprises Limited, Taironghaoyuan Limited, Saturn Storm, Shitai Point, Fuhai Yichuang, Suyuan Limited, Zhiwei Zhizhang, Tianyi Point, Jiaqing Investment, Jiangmen Growth and Shanghai Chuyuan, dated November 22, 2024;
- (i) the [REDACTED]; and
- (j) [the [REDACTED] Agreements].

2. Intellectual Property Rights of Our Group

(a) Trademarks

(i) Registered Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Registration no.	Registered owner	Class	Registration date	Expiry date
1.	羊小咩	PRC	50040683	Beijing Quant	09	June 7, 2021	June 6, 2031
2.	羊小咩	PRC	56632985	Beijing Quant	16	February 7, 2022	February 6, 2032
3.	羊小咩	PRC	56630476	Beijing Quant	39	December 7, 2021	December 6, 2031
4.	羊小咩	PRC	50048472	Beijing Quant	42	May 28, 2021	May 27, 2031
5.	羊小咩	PRC	65934551	Beijing Quant	35	November 7, 2023	November 6, 2033
6.	量化派	PRC	15962140	Beijing Quant	09	February 21, 2016	February 20, 2026
7.	量化派	PRC	15030164	Beijing Quant	35	September 21, 2015	September 20, 2025
8.	量化派	PRC	15962139	Beijing Quant	38	February 21, 2016	February 20, 2026
9.	量化派	PRC	15030194	Beijing Quant	42	September 21, 2015	September 20, 2025
10.	羊小咩商城	PRC	61088962	Beijing Quant	39	May 28, 2022	May 27, 2032
11.	羊小咩商城	PRC	61094784	Beijing Quant	42	May 28, 2022	May 27, 2032
12.	羊小咩商城	PRC	61081198	Beijing Quant	35	August 7, 2022	August 6, 2032
13.	羊小咩商城	PRC	61010449	Beijing Quant	16	August 14, 2022	August 13, 2032
14.	QuantGroup To move the world with data	PRC	15962143	Beijing Quant	09	April 7, 2016	April 6, 2026
15.		PRC	61463462	Beijing Quant	35	August 21, 2022	August 20, 2032

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No.	Trademark	Place of registration	Registration no.	Registered owner	Class	Registration date	Expiry date
16.		PRC	61456532	Beijing Quant	42	August 21, 2022	August 20, 2032
17.		PRC	61446356	Beijing Quant	16	August 21, 2022	August 20, 2032
18.		PRC	61447780	Beijing Quant	9	September 21, 2022	September 20, 2032
19.		PRC	61453738	Beijing Quant	39	September 28, 2022	September 27, 2032
20.		Hong Kong SAR	305933070	The Company	16	April 13, 2022	April 12, 2032
21.		PRC	62314226	Beijing Quant	38	September 21, 2022	September 20, 2032
22.		PRC	62324671	Beijing Quant	42	September 21, 2022	September 20, 2032
23.		PRC	62303615	Beijing Quant	35	September 21, 2022	September 20, 2032
24.		PRC	63991297	Beijing Quant	38	October 14, 2022	October 13, 2032
25.		PRC	63984134	Beijing Quant	42	October 28, 2022	October 27, 2032
26.		PRC	63976287	Beijing Quant	39	November 7, 2022	November 6, 2032
27.		PRC	63965334	Beijing Quant	35	July 28, 2023	July 27, 2033
28.		PRC	63981321	Beijing Quant	16	November 7, 2022	November 6, 2032

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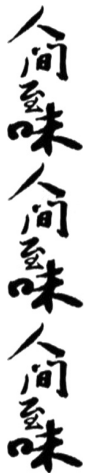
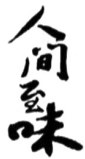
No.	Trademark	Place of registration	Registration no.	Registered owner	Class	Registration date	Expiry date
29.	量星球	PRC	62477882	Liangzi Data	9	August 7, 2022	August 6, 2032
30.	量星球	PRC	62475186	Liangzi Data	42	August 7, 2022	August 6, 2032
31.	量星球	PRC	62475183	Liangzi Data	38	August 7, 2022	August 6, 2032
32.	量星球	PRC	62472786	Liangzi Data	35	January 7, 2024	January 6, 2034
33.		PRC	66698028	Liangzi Data	9	February 7, 2023	February 6, 2033
34.		PRC	66714835	Liangzi Data	16	February 7, 2023	February 6, 2033
35.		PRC	66722420	Liangzi Data	35	February 7, 2023	February 6, 2033
36.		PRC	66698849	Liangzi Data	38	February 7, 2023	February 6, 2033
37.		PRC	66721648	Liangzi Data	39	February 7, 2023	February 6, 2033
38.		PRC	66706154	Liangzi Data	42	February 7, 2023	February 6, 2033
39.		PRC	68583592	Liangzi Data	9	August 7, 2023	August 6, 2033
40.		PRC	68596579	Liangzi Data	16	August 28, 2023	August 27, 2033
41.		PRC	68589352	Liangzi Data	42	August 28, 2023	August 27, 2033

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(ii) Trademark Applications

As of the Latest Practicable Date, we had also applied for the registration of the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Application no.	Applicant	Class	Application date
1.		PRC	62320835	Beijing Quant	9	January 21, 2022
2.	羊小羊	PRC	60908654	Beijing Quant	28	November 25, 2021
3.	羊小羊	PRC	68405785	Beijing Quant	28	November 17, 2022
4.	羊小羊	PRC	68405452	Beijing Quant	43	November 17, 2022
5.	羊羊羊	PRC	60483595	Beijing Quant	36	November 11, 2021
6.	小狒狒	PRC	68269259	Liangzi Data	39	November 10, 2022
7.		PRC	72259032	Liangzi Data	9	June 15, 2023
8.		PRC	72259076	Liangzi Data	36	June 15, 2023
9.		PRC	72256482	Liangzi Data	32	June 15, 2023

(b) Copyrights

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following copyrights which we consider to be or may be material to our business:

No.	Copyright name	Version	Owner	Copyright number	Development completion date	Place of registration
1	Multi-dimensional integrated marketing tool system (多維度綜合營銷工具系統)	V1.0	Liangzi Data	2021SR2109312	December 10, 2021	PRC
2	Intelligent recommendation platform software based on collaborative filtering (基於協同過濾的智能推薦平台軟件)	V1.0	Liangzi Data	2021SR2109302	December 31, 2020	PRC
3	DaaS architecture-based data middleware system (基於DaaS架構的數據中台系統)	V1.0	Liangzi Data	2021SR2109303	December 10, 2021	PRC

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No.	Copyright name	Version	Owner	Copyright number	Development completion date	Place of registration
4	Blockchain-based enterprise financial accounting system (基於區塊鏈的企業財務核算系統)	V1.0	Liangzi Data	2021SR2109301	December 13, 2021	PRC
5	Recommender software based on data field clustering with nearest neighbor collaborative filtering (基於數據場聚類的近鄰協同過濾推薦軟件)	V1.0	Liangzi Data	2021SR2108584	December 31, 2020	PRC
6	Marketing system based on improved neural network integration algorithm (基於改進神經網絡集成算法的營銷系統)	V1.0	Liangzi Data	2021SR2078536	October 31, 2021	PRC
7	Microservice architecture-based institutional cost decision system (基於微服務架構的機構成本決策系統)	V1.0	Liangzi Data	2021SR2070590	October 31, 2021	PRC
8	Product marketing system based on association rule algorithm (基於關聯規則算法的產品營銷系統)	V1.0	Liangzi Data	2021SR2070982	December 31, 2020	PRC
9	Data analysis system based on data mining technology (基於數據挖掘技術的數據分析系統)	V1.0	Liangzi Data	2021SR2070589	December 31, 2020	PRC
10	Distributed marketing system based on microservices (基於微服務的分佈式營銷系統)	V1.0	Liangzi Data	2021SR2066518	December 31, 2020	PRC
11	Multi-channel information monitoring system (多通道信息監控系統)	V1.0	Liangzi Data	2021SR1893978	December 31, 2020	PRC
12	Consumption behavior tracking system (消費行為跟蹤系統)	V1.0	Liangzi Data	2020SR1900002	December 28, 2018	PRC
13	Enjoy Life (真享生活)	V1.0	Liangzi Data	2020SRE006164	April 1, 2020	PRC
14	Intelligent voice management system based on deep neural network (基於深度神經網絡的智能語音管理系統)	V1.0	Liangzi Data	2020SR0355366	December 31, 2019	PRC
15	Distributed feature calculation platform (分佈式特徵計算平台)	V1.0	Liangzi Data	2020SR0355348	December 31, 2019	PRC
16	Mobile Internet big data storage and query system (移動互聯網大數據存儲查詢系統)	V1.0	Liangzi Data	2018SR500507	December 31, 2017	PRC
17	Interactive software that realizes native APP and WEB page closing and backward control (實現原生APP和WEB頁面關閉及後退控制的交互軟件)	V1.0	Liangzi Data	2018SR499596	December 31, 2017	PRC
18	Yangxiaomie (羊小咩)	V1.0	Beijing Quant	2020SRE017949	October 12, 2020	PRC

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No.	Copyright name	Version	Owner	Copyright number	Development completion date	Place of registration
19	Consumption infrastructure platform (消費基建平台)	V1.0	Beijing Quant	2022SR0969215	May 31, 2022	PRC
20	Consumption Guide platform (消費地圖平台)	V1.0	Beijing Quant	2022SR0982952	July 1, 2022	PRC
21	量化派 logo	N/A	Beijing Quant	國作登字-2022-F-10069798	April 2, 2022	PRC

(c) *Patents*

As of the Latest Practicable Date, we had also applied for the registration of the following patents which we consider to be or may be material to our business.

No.	Patent	Place of registration	Application no.	Applicant	Application date
1	A search and recall method based on multiplex recall (一種基於多路召回的搜索召回方式)	PRC	202310050848.4	Liangzi Data	February 2, 2023
2	A recommended rearrangement method based on window sliding (一種基於窗口滑動的推薦重排方式)	PRC	202310051409.5	Liangzi Data	February 2, 2023
3	A method for recommending user search terms based on entered search terms (一種基於鍵入搜索詞推薦用戶搜索詞的方法)	PRC	202310483388.4	Liangzi Data	May 4, 2023
4	A Method for Extracting SPU Keywords from Product Titles Based on Large Language Models (一種基於大語言模型的商品標題SPU關鍵詞提取方法)	PRC	202311412578.3	Liangzi Data	October 30, 2023
5	An AI-Based Personalized and Precise E-Commerce Shopping Guide Method (基於人工智慧的電商個性化精準導購方法)	PRC	202310999845.5	Liangzi Data	August 10, 2023
6	An Intelligent Recommendation Method Based on Product Search Data Analysis (基於商品檢索數據分析的智慧推薦方法)	PRC	202310806870.7	Liangzi Data	July 4, 2023

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No.	Patent	Place of registration	Application no.	Applicant	Application date
7	A Product Recommendation Method Based on Multi-Project Planning and Integration Analysis (基於多項目規劃整合分析的商品推薦方法)	PRC	202310199010.1	Liangzi Data	March 3, 2023

(d) Domain Names

(i) Registered Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be or may be material to our business:

No.	Domain	Registrant	License number	Registration date	Expiry date
1	zhenxianglife.com	Liangzi Data	京ICP備14058829號-5	March 25, 2020	March 25, 2026
2	quantgroup.com	Liangzi Data	京ICP備14058829號-8	April 9, 2003	April 9, 2026
3	qinance.com	Beijing Quant	京ICP備19010585號-4	April 29, 2014	April 29, 2026
4	yxmie.com	Beijing Quant	京ICP備19010585號-6	November 8, 2020	November 8, 2025
5	yangxiaomie.com	Beijing Quant	京ICP備19010585號-7	November 8, 2020	November 8, 2025
6	xiaozhaoonline.com	Beijing Quant	京ICP備19010585號-1	February 15, 2019	February 15, 2026
7	quantgroup.com.cn	Liangzi Data	京ICP備14058829號-6	May 24, 2012	May 24, 2026
8	quantgroup.cn	Liangzi Data	京ICP備14058829號-7	January 14, 2014	January 14, 2026
9	dkqbao.com	Liangzi Data	京ICP備14058829號-4	December 28, 2014	December 28, 2025

Save as disclosed above, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors’ Service Contracts and Letters of Appointment

(a) Executive Directors

Each of Dr. Zhou, Mr. Li Yan, Mr. Song Yang and Mr. Zhou Qiang, being our executive Directors, [has entered] into a service contract with our Company. Each service contract is for an initial term of [three] years commencing from the [REDACTED]. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

(b) Non-executive Directors and Independent non-executive Directors

Each of Mr. Zhang Yi and Ms. Liu Fangwei, being our non-executive Directors, and Mr. Sun Junchen, Ms. Cao Jie, and Ms. Guo Yongfang, being our independent non-executive Directors, [has entered] into a letter of appointment with our Company. Each letter of appointment is for an initial term of [three] years commencing from the [REDACTED]. The letters of appointment may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

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2. Directors’ Remuneration

The aggregate remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances, benefits-in-kind, discretionary bonuses and share-based payment) of our Directors for the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025 were RMB25.1 million, RMB10.4 million and RMB48.3 million, and RMB14.7 million, respectively.

There was no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three financial years immediately preceding the issue of this document.

Save as disclosed above, no other payments have been made or are payable in respect of the years ended December 31, 2022, 2023 and 2024 by any member of our Group to any of our Directors.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group.

3. Disclosure of interests

(a) *Disclosure of interests of Directors and chief executive of our Company or our associated corporations following completion of the [REDACTED]*

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the interest or short position of our Directors or chief executives of our Company in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are [REDACTED], are as follows:

Name of Director or chief executive	Nature of interest ⁽¹⁾	Number of Shares	Approximate percentage of shareholding of the Company’s share capital upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)
Dr. Zhou	Settlor of a discretionary trust ⁽²⁾	[REDACTED]	[REDACTED]
	Interest of spouse ⁽³⁾	[REDACTED]	[REDACTED]
	Beneficial owner	[REDACTED]	[REDACTED]
Mr. Li Yan	Settlor of a discretionary trust ⁽⁴⁾	[REDACTED]	[REDACTED]
	Beneficial owner	[REDACTED]	[REDACTED]
Mr. Song Yang	Beneficial owner	[REDACTED]	[REDACTED]
Mr. Zhou Qiang	Beneficial owner	[REDACTED]	[REDACTED]

Notes:

(1) All interests stated are long positions.

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- (2) The Company is held as to approximately [REDACTED] by Mars Legend following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). Mars Legend is held as to 99% by SJY Family Holdings and 1% by Mars Digitech Limited, a company incorporated in the BVI and wholly owned by Dr. Zhou. SJY Family Holdings is wholly owned by the Dr. Zhou Trust, which was established by Dr. Zhou as the settlor. Futu Trustee Limited is the trustee of the Dr. Zhou Trust, and Mars Digitech Limited is the beneficiary of the Dr. Zhou Trust. The Dr. Zhou Trust is structured in preparation for Dr. Zhou’s future estate planning.
- (3) The Company is held as to approximately [REDACTED] by Mercury Valley following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). Mercury Valley is held as to 99% by JHY Family Holdings Limited and 1% by Mercury Digitech Limited, a company incorporated in the BVI and wholly owned by Ms. Sun. JHY Family Holdings Limited is held by the Sun Jinghuai Trust, which was established by Ms. Sun as the settlor. Futu Trustee Limited is the trustee of the Sun Jinghuai Trust, and Mercury Digitech Limited is the beneficiary of the Sun Jinghuai Trust. The Sun Jinghuai Trust is structured in preparation for Ms. Sun’s future estate planning. By virtue of the SFO, Dr. Zhou is deemed to be interested in the Shares in which Ms. Sun is interested in.
- (4) As of the Latest Practicable Date, Dr. Zhou was granted 26,408,715 RSUs by our Company pursuant to the RSU Share Schemes, upon the vesting of which the same number of Shares will be issued to him.
- (5) As of the Latest Practicable Date, Mr. Li Yan was granted 5,454,545 RSUs by our Company pursuant to the RSU Share Schemes, upon the vesting of which the same number of Shares will be issued to him.
- (6) The Company is held as to approximately [REDACTED] by Saturn Storm following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). Saturn Storm is held as to 99% by LY Family Holdings Limited and 1% by Saturn Tornado Limited, a company incorporated in the BVI and wholly owned by Mr. Li Yan, our executive Director. LY Family Holdings Limited is wholly owned by the Li Yan Trust, which was established by Mr. Li as the settlor. Futu Trustee Limited is the trustee of the Li Yan Trust, and Saturn Tornado Limited is the beneficiary of the Li Yan Trust. The Li Yan Trust is structured in preparation for Mr. Li’s future estate planning.
- (7) As of the Latest Practicable Date, Mr. Song Yang was granted 3,030,300 RSUs by our Company pursuant to the RSU Share Schemes, upon the vesting of which the same number of Shares will be issued to him.
- (8) As of the Latest Practicable Date, Mr. Zhou Qiang was granted 3,030,300 RSUs by our Company pursuant to the RSU Share Schemes, upon the vesting of which the same number of Shares will be issued to him.

(b) Disclosure of interests of substantial shareholders

Save as disclosed in “Substantial Shareholders”, our Directors are not aware of any other person who will, immediately following the completion of the [REDACTED] have an interest or short position in the Shares or the underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or directly or indirectly, be interested in 10% of more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

4. Disclaimers

Save as disclosed in this document:

- (a) none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the Shares are [REDACTED];
- (b) none of our Directors or any of the experts referred to under paragraph headed “ — E. Other Information — 10. Qualification of Experts” in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this

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document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

- (c) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years ended on the date of this document, and no Directors, promoters or experts named in “ — E. Other information — 10. Qualification of Experts” in this appendix received any such payment or benefit;
- (d) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group;
- (e) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (f) so far as is known to our Directors or the chief executive of our Company, no person (not being a Director or chief executive of our Company) who will, immediately following the completion of the [REDACTED], have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and
- (g) none of our Directors, their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

D. RSU SCHEMES

The Company adopted the RSU Schemes on April 26, 2022 (the “**Adoption Date**”) to reflect the RSUs granted to certain grantees (including Directors, senior management and other employees) under the historical onshore RSU schemes adopted by Liangzi Data. While the RSU Schemes do not involve the grant of options or RSUs by our Company to subscribe for new Shares, they will be subject to Rule 17.12 of the Listing Rules upon the [REDACTED]. The Company has appointed the Trustee to administer the RSU Schemes with respect to the grant of any award under the RSU Schemes by way of RSUs (the “**Award**”) which may vest in the form of Shares or a conditional right to obtain an equivalent value in cash with reference to the value of the Shares underlying such Award by the Trustee on a date of sale (being a date that the RSU Administrator (as defined below) determines to conduct on-market sale of such Shares once every financial year pursuant to the RSU Schemes, less any tax, fees, levies, stamp duty and other applicable charges in accordance with rules under the RSU Schemes.

In order to facilitate the administration of the RSU Schemes, on March 31, 2022, our Company has entered into a trust deed (the “**Trust Deed**”) with the Trustee, pursuant to which our Company has established a trust for each of the RSU Schemes and the Trustee has agreed to act as the trustee to administer the RSU Schemes and to hold the Shares underlying the RSU Schemes. On May 9, 2022, pursuant to the 2022 RSU Scheme I and 2022 RSU Scheme II, our Company issued 75,000,000 and 20,586,500 Shares, representing approximately 15% and 4.12% of the total issued share capital of our Company, respectively, to the Trustee which holds the Shares underlying the awards through Jupiter Rock and Venus Energy, both wholly-owned subsidiaries of the Trustee. On March 6, 2023, Jupiter Rock transferred 39,132,354 Shares, representing 7.83% of the issued share capital of the Company as of the Latest Practicable Date back to Mars Legend in correspondence with the equity interest in the Company originally contributed by Dr. Zhou himself for share incentive purpose. All RSUs associated with the Shares held by Jupiter Rock and Venus Energy, representing approximately 11.29% of the issued Shares as at

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the Latest Practicable Date, all RSUs had been granted to the participants of the 2022 RSU Scheme I and 2022 RSU Scheme II. See “Appendix IV — Statutory and General Information — D. RSU Schemes” in this document for further details.

Principal Terms of the RSU Schemes

The following is a summary of the principal terms of the RSU Schemes.

(a) Purpose of the RSU Schemes

The purpose of the RSU Schemes is to incentivize the existing and incoming directors, senior management and employees for their contribution to our Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

(b) Scheme Participants

Persons eligible to receive the Award under the RSU Schemes are any existing or incoming employees, directors (whether executive or non-executive) or officers of the Company or any member of the Group (the “**Eligible Person**”). Subject to the rules of the RSU Schemes, the Board may select any Eligible Person for participation in the RSU Schemes at its discretion as a selected person (the “**Selected Person**”).

Since the participants of both the 2022 RSU Scheme I and the 2022 RSU Scheme II include Directors and senior management of the Company who are core connected persons of the Company, each of Jupiter Rock and Venus Energy is a core connected person of the Company. As such, the underlying Shares associated with the RSUs held by Jupiter Rock pursuant to the 2022 RSU Scheme I and the underlying Shares associated the RSUs held by Venus Energy pursuant to the 2022 RSU Scheme II will not be counted as part of the public float, for the purposes of the Rules 8.08 and 8.24 of the Listing Rules.

The basis of eligibility of any Selected Person for the grant of RSUs shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group or such other factors as the Board may deem appropriate.

(c) Term of the RSU Schemes

The RSU Schemes will be valid and effective for the period of 10 years, commencing on the Adoption Date (the “**Scheme Period**”).

(d) Grant of RSUs

The Company shall provide a grant letter to the Selected Person who is approved which shall address, among other things, (i) the Selected Person’s name, (ii) the manner of acceptance of the RSUs, (iii) the number of RSUs granted and the number of underlying Shares represented by the RSUs, (iv) the vesting criteria and conditions, (v) the vesting schedule, (vi) the exercise price of the RSUs (where applicable), and (vii) such other terms and conditions as the Board shall determine and are not inconsistent with the RSU Schemes (the “**Grant Letter**”).

The Grant Letter will require the Selected Person to undertake to hold the RSU on the terms on which it is granted and to be bound by the provisions of the RSU Scheme, which shall stipulate, among others, (i) the exercise price of the RSUs shall be paid within 10 business days from the relevant exercise date pursuant to the

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Grant Letter and unless otherwise agreed by the Company in writing and (ii) that the RSUs granted under such Grant Letter, either vested or not, shall be restricted from trading, either partially or fully, for at least 12 months after the [REDACTED].

(e) Restriction on grant of RSUs

The Board may not grant any RSUs to any Selected Persons in any of the following circumstances:

- (i) the securities laws or regulations require that a document or other [REDACTED] documents be issued in respect of the grant of the RSUs or in respect of the RSU Schemes, unless the Board determines otherwise;
- (ii) where granting the RSUs would result in a breach by the Company, any member of our Group or any of their directors of any applicable securities laws, rules or regulations; or
- (iii) where such grant of RSUs would result in breach of the limits of the RSU Schemes as set out in paragraph (f) below.

(f) Maximum number of RSUs granted under the RSU Schemes

The maximum number of shares underlying the RSUs that may be granted under the 2022 RSU Scheme I and 2022 RSU Scheme II (excluding RSUs that have lapsed or been canceled in accordance with the rules of RSU Schemes as amended from time to time (“**Rules**”)) shall be no more than 75,000,000 and 21,000,000 Shares, representing approximately 15% and 4.12% of the issued share capital of the Company immediately upon [REDACTED] (assuming the [REDACTED] is not exercised), respectively.

(g) Rights attached to the RSUs and Shares

(i) Rights attached to RSUs

A Selected Person who accepts the offer of the grant of RSUs in accordance with the RSU Schemes (the “**Participant**”) does not have any contingent interest in any Shares underlying the RSUs unless and until such Award is granted to the Participant. Further, a Participant may not exercise voting rights in respect of the Shares underlying the RSUs prior to their exercise and, unless otherwise specified by the Board in its entire discretion in the Grant Letter to the Participant, nor do they have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the RSUs.

(ii) Rights attached to Shares

Any Shares transferred to a Participant in respect of any RSUs will be subject to all the provisions of the Articles and will rank pari passu with the fully paid Shares in issue on the date of the transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of transfer or, if that date falls on a day when the register of members of the Company closed, the first day of the reopening of the register of members.

(h) Vesting of RSUs

The Board may determine the vesting criteria, conditions and the time schedule when the RSUs will vest and such criteria, conditions and time schedule shall be stated in the Grant Letter.

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Within a reasonable time after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the Board shall send the vesting notice (the “**Vesting Notice**”) to each of the relevant Participants. The Vesting Notice will confirm the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) involved.

(i) Exercise of RSUs

RSUs held by a Participant that are vested as evidenced by the Vesting Notice may be exercised (in whole or in part) by the Participant serving an exercise notice in writing on the Trustee and copied to the Company. Any exercise of RSUs must be in respect of a [REDACTED] as disclosed in this document (“[REDACTED]”) or an integral multiple thereof (except where the number of RSUs which remains unexercised is less than one [REDACTED]).

(j) Rights on a takeover

If a general offer to acquire the Shares (whether by takeover offer, merger, or otherwise in a like manner) is made to all of the shareholders of the Company (or shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and the general offer to acquire the Shares is approved and the offer becomes or is declared unconditional in all respects, a Participant’s RSUs will vest immediately, even if the vesting period has not yet commenced.

(k) Rights on a compromise or arrangement

If a compromise or arrangement between the Company and its shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement and such shareholders’ approval is obtained, a Participant’s RSUs will vest immediately, even if the vesting period has not yet commenced.

(l) Rights on voluntary winding up

If an effective resolution is passed during the Scheme Period for the voluntary winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement), all outstanding RSUs shall be treated as having vested immediately. No Shares will be transferred, and no cash alternative will be paid, to the Participant, but the Participant will be entitled to receive out of the assets available in liquidation on an equal basis with the Company’s shareholders such sum as they would have received in respect of the RSUs.

(m) Cancellation of RSUs

The Board may at its discretion cancel any RSUs that has not vested or lapsed, provided that:

- (i) the Company or any member of the Group pay to the Participant an amount equal to the fair value of the RSU at the date of the cancellation as determined by the Board, after consultation with the auditors or an independent financial advisor appointed by the Board;
- (ii) the Company or the relevant member of the Group provides to the Participant a replacement award (or a grant or option under any other restricted share unit scheme, share option scheme or share-related incentive scheme) of equivalent value to the RSUs to be canceled; or

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- (iii) the Board makes any arrangement as the Participant may agree in order to compensate him/her for the cancellation of the RSUs.

(n) Amendment of the RSU Schemes

Save as provided in the RSU Schemes, the Board may alter any of the terms of the RSU Schemes at any time. Written notice of any amendment to the RSU Schemes shall be given to all Participants. Any alterations to the terms and conditions of the RSU Schemes which are of a material nature or any changes to the terms of the RSUs granted which shall operate to affect materially adversely any subsisting rights of any Participant shall be subject to the consent of the Participants amounting to three-fourths in nominal value of all Shares underlying the RSUs so held by the Participants on the date of the relevant resolution passed by our Board in approving the amendment of the RSU Schemes or the terms of the RSUs granted (as the case may be), except where the alterations or changes take effect automatically under the existing terms of the RSU Schemes. The Board’s determination as to whether any proposed alteration to the terms and conditions of the RSU Schemes or the terms of the RSUs granted (as the case may be) is material shall be conclusive.

(o) Termination of the RSU Schemes

The Board may terminate the RSU Schemes at any time before the expiry of the Scheme Period. The provisions of the RSU Schemes shall remain in full force and effect in respect of RSUs which are granted pursuant to these Rules prior to the termination of the operation of the RSU Schemes. The Company or relevant member of the Group shall notify the Trustee and all Participants of such termination and of how any property held by the Trustee on trust for the Participants (including, but not limited to, any Shares held) and the outstanding RSUs shall be dealt with.

(p) Administration of the RSU Schemes

The Board has the power to administer the RSU Schemes, including the power to construe and interpret these Rules and the terms of the RSUs granted under it. The Board may delegate the authority to administer the RSU Schemes to a committee of the Board or any person(s) as deemed appropriate in the sole and absolute discretion of the Board, provided that nothing in this paragraph (p) shall prejudice the Board’s power to revoke such delegation at any time. The Board may also appoint one or more administrators, who may be independent third-party contractors, to assist in the administration of the RSU Schemes and delegate such powers and/or functions relating to the administration of the RSU Schemes as the Board thinks fit.

The Board’s determinations under the RSU Schemes need not be uniform and may be made by it selectively with respect to persons who are granted, or are eligible to be granted, RSUs under it. If a director is a Participant he/she may, notwithstanding his/her own interest and subject to the Articles, vote on any Board resolution concerning the RSU Schemes (other than in respect of his/her own participation in it), and may retain RSUs under it. Each Participant waives any right to contest, amongst other things, the value and number of RSUs or Shares or equivalent value of cash underlying the RSUs or Shares and the Board’s administration of the RSU Schemes.

Awards Granted to Selected Participants

Our Directors and senior management, who are considered connected persons of our Group and other employees, have been granted Awards under the RSU Schemes representing an aggregate of 56,454,146 Shares, accounting for approximately [REDACTED]% of the issued share capital of our Company upon completion of the [REDACTED], and assuming the [REDACTED] is not exercised and without taking into account any additional Shares to be issued pursuant to the RSU Schemes.

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Below is a list of Selected Participants who have been granted Awards under the RSU Schemes as of the Latest Practicable Date:

<u>Selected Participant</u>	<u>Number of Shares underlying the Awards granted</u>	<u>Approximate percentage of issued Shares immediately after completion of the [REDACTED]⁽¹⁾</u>
Directors and senior management	37,923,860 ⁽²⁾⁽⁴⁾	[REDACTED]
Other employees⁽³⁾	18,530,286 ⁽⁴⁾	[REDACTED]
Total	56,454,146	[REDACTED]

Notes:

- (1) These percentages are calculated on the basis of [REDACTED] Shares in issue immediately following completion of the [REDACTED] and assuming that the [REDACTED] is not exercised and without taking into account any additional Shares to be issued pursuant to the RSU Schemes.
- (2) Among the 37,166,285 RSUs granted, 26,408,715 RSUs, 5,454,545 RSUs, 3,030,300 RSUs and 3,030,300 RSUs are granted to Mr. Zhou Hao, Mr. Li Yan, Mr. Song Yang and Mr. Zhou Qiang, our executive Directors, respectively.
- (3) Other employees include existing employees and employees employed during the Track Record Period.
- (4) The RSUs will be vested over a period of four years in four equal installments, and the vesting is subject to certain criteria and conditions stated in the Grant Letter.

General

Application has been made to the Stock Exchange for the [REDACTED] of and permission to [REDACTED] the Shares pursuant to the RSU Schemes.

The Company will disclose information in accordance with applicable Listing Rules, including particulars of any Award granted under the RSU Schemes, including the date of grant, number of Shares involved, the vesting period, and comply with Chapter 14A of the Listing Rules. Details of the RSU Schemes, including particulars and movements of the Awards granted during each financial year of our Company, and our employee costs arising from the grant of the Awards will be disclosed in our annual report.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries or Consolidated Affiliated Entities.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, save as disclosed in this document and so far as our Directors are aware, no litigation or claim of material importance (to our Group’s financial condition or results of operation) is pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the [REDACTED] of the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the Shares in issue and the Shares to be issued as mentioned in this document. All necessary arrangements have been made to enable such Shares to be admitted into [REDACTED].

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Joint Sponsors by our Company is US\$1 million in aggregate.

4. Consents of Experts

Each of the experts as referred to in “ — E. Other Information — 10. Qualification of Experts” in this appendix has given and has not withdrawn its consent to the issue of this document with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

As of the Latest Practicable Date, none of the experts named in “ — E. Other Information — 10. Qualification of Experts” in this appendix had any shareholding interest in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries or Consolidated Affiliated Entities.

5. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

6. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Document from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

7. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any preliminary expenses.

8. Promoter

Our Company has no promoter for the purpose of the Listing Rules. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document within the two years immediately preceding the date of this document.

9. Taxation of Holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.13% of the consideration of or, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong SAR. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after February 11, 2006.

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(b) Cayman Islands

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(c) Consultation with Professional Advisors

Intending holders of the Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the [REDACTED] will accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercise of any rights attaching to them.

10. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

Name	Qualifications
China International Capital Corporation Hong Kong Securities Limited	Licensed corporation under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
CITIC Securities (Hong Kong) Limited	Licensed corporation under the SFO to conduct type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Harney Westwood & Riegels	Cayman Islands legal advisor to the Company
Frost & Sullivan	Independent industry consultant
Grandway Law Offices	Qualified PRC lawyers
KPMG	Certified Public Accountants, Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

11. Recent Development

Save as otherwise disclosed in “Summary — Recent Development”, our Directors believe that there has been no material adverse change in our financial or trading position or prospects since December 31, 2024 (being the date on which the latest audited consolidated financial statements of the Group were prepared), and there is no event since December 31, 2024 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

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12. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
- (i) no share or loan capital of our Company or any of our subsidiaries or Consolidated Affiliated Entities had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries or Consolidated Affiliated Entities; and
 - (iii) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries or Consolidated Affiliated Entities.
- (b) Save as disclosed in this document:
- (i) no share or loan capital of our Company or any of our subsidiaries or Consolidated Affiliated Entities had been under option or agreed conditionally or unconditionally to be put under option;
 - (ii) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries or Consolidated Affiliated Entities; and
 - (iii) none of the persons named in “ — E. Other Information — 10. Qualification of Experts” in this appendix is interested beneficially or otherwise in any shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of our Group.
- (c) Our Directors confirm that:
- (i) there is no arrangement under which future dividends are waived or agreed to be waived;
 - (ii) there has been no material adverse change in the financial or trading position of our Group since December 31, 2024 (being the date to which the latest audited consolidated financial statements of our Group were made up);
 - (iii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;
 - (iv) our principal register of members will be maintained by our [REDACTED], Harneys Fiduciary (Cayman) Limited, in the Cayman Islands and our Hong Kong SAR register of members will be maintained by our [REDACTED], [REDACTED]. All transfer and other documents of title of the Shares must be lodged for registration with and registered by our [REDACTED];
 - (v) all necessary arrangements have been made to enable the Shares to be admitted to [REDACTED] for clearing and settlement; and
 - (vi) no company within our Group is [REDACTED] on any stock exchange or traded on any trading system and at present, and our Group is not seeking or proposing to seek any [REDACTED] of, or permission to [REDACTED], the share or loan capital of our Company on any other stock exchange.

APPENDIX V

**DOCUMENTS DELIVERED TO THE REGISTRAR
OF COMPANIES AND AVAILABLE ON DISPLAY**

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Statutory and General Information — B. Further Information About Our Business — 1. Summary of Material Contracts” in Appendix IV to this document; and
- (b) the written consents referred to in “Statutory and General Information — E. Other Information — 10. Qualification of Experts” in Appendix IV to this document.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.quantgroup.com during a period of 14 days from the date of this document:

- (a) our Memorandum and Articles;
- (b) the Accountants’ Report from KPMG, the text of which is set out in Appendix I to this document;
- (c) the consolidated audited financial statements of our Group for the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025;
- (d) the report on the unaudited [REDACTED] financial information from KPMG, our reporting accountants, the text of which is set out in Appendix II to this document;
- (e) the legal opinions issued by Grandway Law Offices, our PRC [REDACTED], dated [●] in respect of certain aspects of the Group;
- (f) the letter of advice issued by Harney Westwood & Riegels, our Cayman Islands legal advisor, in respect of certain aspects of the Cayman Companies Act referred to in Appendix III to this document;
- (g) the Cayman Companies Act;
- (h) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, the summary of which is set out in “Industry Overview” in this document;
- (i) the material contracts referred to in “Statutory and General Information — B. Further Information About Our Business — 1. Summary of Material Contracts” in Appendix IV to this document;
- (j) the written consents referred to in “Statutory and General Information — E. Other Information — 10. Consents of Experts” in Appendix IV to this document; and
- (k) service contracts and letters of appointment entered into between the Company and each of the Directors.