

Quantgroup Holding Limited

Underlying Financial Statements

for the years ended 31 December 2022, 2023 and 2024

and the five months ended 31 May 2025



KPMG Huazhen LLP
8th Floor, KPMG Tower
Oriental Plaza
1 East Chang An Avenue
Beijing 100738
China

Telephone +86 (10) 8508 5000
Fax +86 (10) 8518 5111
Internet kpmg.com/cn

毕马威华振会计师事务所
(特殊普通合伙)
中国北京
东长安街 1 号
东方广场毕马威大楼 8 层
邮政编码: 100738

电话 +86 (10) 8508 5000
传真 +86 (10) 8518 5111
网址 kpmg.com/cn

**Independent auditor's report
to the directors of Quantgroup Holding Limited**
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Quantgroup Holding Limited ("the Company") and its subsidiaries ("the Group") set out on pages 4 to 69, which comprise 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, 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 and notes, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give 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 consolidated financial performance and the Group's consolidated cash flows for each of the years ended 31 December 2022, 2023, 2024 and the five months ended 31 May 2025 in accordance with the basis of preparation and presentation set out in note 1 to the consolidated financial statements.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter – Basis of Preparation and Presentation

We draw attention to note 1 to the consolidated financial statements, which describes the basis of preparation and presentation. The consolidated financial statements are prepared for the purpose of the preparation of a prospectus by the directors of the Company in connection with the initial public offering of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter

We draw attention to the fact that the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the five months ended 31 May 2024 and any of the related notes have not been audited.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the consolidated financial statements and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. The report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

8/F, KPMG Tower
Oriental Plaza
No. 1 East Chang An Ave.
Beijing
19 November 2025

Consolidated statements of profit or loss and other comprehensive income

(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
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>

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	<u>(283)</u>	<u>3,643</u>	<u>147,128</u>	<u>34,691</u>	<u>125,631</u>
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					
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 the consolidated financial statements.

Consolidated statements of financial position
(Expressed in Renminbi)

		As at 31 December			As at 31 May
	Note	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)

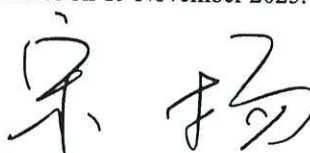
Consolidated statements of financial position
(Expressed in Renminbi)

		As at 31 December			As at 31 May
	Note	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
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		<u>(1,089,379)</u>	<u>(1,093,015)</u>	<u>(908,916)</u>	<u>(771,978)</u>

Approved and authorised for issue by the Board of Directors on 19 November 2025.



Zhou Hao
Director



Song Yang
Director

The accompanying notes form part of the consolidated financial statements.

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)

Approved and authorised for issue by the Board of Directors on 19 November 2025.



Zhou Hao
Director



Song Yang
Director

The accompanying notes form part of the consolidated financial statements.

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)

Consolidated statements of changes in equity (continued)
(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 equity
	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)

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 equity
	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 the consolidated financial statements.

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

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 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)

Consolidated statements of cash flows (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
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)
Listing expense 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		—	(48)	(13)	(41)	(86)
Cash and cash equivalents at the end of the year/period	18(a)	<u>77,180</u>	<u>110,989</u>	<u>313,936</u>	<u>37,938</u>	<u>428,050</u>

The accompanying notes form part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi)

1 Basis of preparation and presentation of the consolidated financial statements

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 “Listing 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 ⁽ⁱ⁾ (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 ⁽ⁱ⁾	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%

Notes:

- (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 three financial years ended December 31, 2024 and the five months ended May 31, 2025 (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 initial public offering 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 Prospectus 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 Listing 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 Arrangements, 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 Listing Business. There were no changes in the economic substance of the ownership and the Listing Businesses before and after the Reorganisation. Accordingly, the consolidated financial statements have been prepared and presented as a continuation of the financial information of the Listing 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 consolidated financial statements.

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 consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). As the Group’s first consolidated financial statements prepared in accordance with IFRS Accounting Standards, IFRS 1 “First-time Adoption of International Financial Reporting Standards” has been applied save for certain presentation and disclosure provisions therein. The date of transition to IFRS Accounting Standards was 1 January 2022. 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 these consolidated financial statements, 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 consolidated financial statements also comply 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 consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the five months ended 31 May 2024 and other explanatory information have been prepared in accordance with the same basis of preparation and presentation adopted in respect of the consolidated financial statements.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements, 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 consolidated financial statements have been prepared on a going concern basis based on the following:

- the Obligation would be terminated upon the listing of the Company’s shares on the Main Board of the Stock Exchange (the “Listing”) 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 consolidated financial statements to be prepared on a going concern basis.

(b) Basis of measurement

The consolidated financial statements are 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 consolidated financial statements 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 consolidated financial statements 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 consolidated financial statements and major sources of estimation uncertainty 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 consolidated financial statements 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 consolidated financial statements. 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.

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)).

(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.

(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 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 Prospectus), 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.

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 consolidated financial statements 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.

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.

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 judgement in a lawsuit against one customer of the Group. The entire amount was fully received.

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)	—	—	—	—
Listing expenses		26,669	9,640	23,467	8,687	5,404

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's 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.

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 ⁽ⁱⁱⁱ⁾	—	3,550	—	58	3,608	4,888
Li Yan ⁽ⁱⁱⁱ⁾	—	3,718	—	58	3,776	6,084
Wang Feng ^(iv)	—	2,434	—	58	2,492	6,383
Zhou Qiang ^(v)	—	1,109	—	58	1,167	1,396
Song Yang ^(vi)	—	1,278	—	58	1,336	2,494
Non-executive directors						
Zhang Yi ^(vii)	—	—	—	—	—	—
Liu Fangwei ^(vii)	—	—	—	—	—	—
	—	15,846	—	348	16,194	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)
Li Yan ⁽ⁱⁱⁱ⁾	—	2,718	80	63	2,861	4,363
Wang Feng ^(iv)	—	742	—	40	782	(2,495)
Zhou Qiang ^(v)	—	2,466	186	63	2,715	4,224
Song Yang ^(vi)	—	1,293	300	63	1,656	582
Non-executive directors						
Zhang Yi ^(vii)	—	—	—	—	—	—
Liu Fangwei ^(vii)	—	—	—	—	—	—
	—	11,624	861	332	12,817	(2,458)

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

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 11 November 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	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>
	<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	<u>3,238</u>	<u>1,300</u>	<u>705</u>	<u>399</u>	<u>150</u>
Total	<u>4,921</u>	<u>2,046</u>	<u>2,080</u>	<u>1,309</u>	<u>1,676</u>

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	<u>86</u>	<u>(1,916)</u>	<u>(77,362)</u>	<u>(18,241)</u>	<u>(66,059)</u>
(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.

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

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.

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
	<u>11,627</u>	<u>8,524</u>	<u>6,140</u>	<u>2,539</u>	<u>2,596</u>

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.

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 (unaudited)	RMB'000
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 RMB'000	Lease liabilities RMB'000	Credit loss allowance RMB'000	Total 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.

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	(13,005)	(15,640)	(10,360)	(12,082)
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	781	3,129	915	—
	<u>258,227</u>	<u>443,254</u>	<u>638,416</u>	<u>743,823</u>

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 Listing.

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.

(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	<u>25,665</u>	<u>16,949</u>	<u>42,614</u>

	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	RMB'000
				(unaudited)	
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>

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 listing 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 listing expenses 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.

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>—</u>	<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>—</u>	<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.

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 Prospectus.

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 IPO 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 Listing on 29 June 2022, except that under the circumstance where the Company had failed to consummate the qualified IPO under the Shareholders' Agreement, such right will terminate with effect upon the Listing. The liquidation preference rights will be automatically terminated with effect upon the Listing.

(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.

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 initial public offering 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.

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

	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.

The terms and conditions of the grants are as follows:

	<u>Number of instruments</u>	<u>Vesting Conditions</u>	<u>Exercise prices</u>
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		

Movements in the number of RSUs granted is as follows:

	RSUs Outstanding	Weighted Average Exercise Price RMB
Outstanding at 1 January 2022	39,439,365	0.32
Granted	13,378,416	7.50
Forfeited	(3,787,875)	0.42
Outstanding at 31 December 2022	49,029,906	2.27
Forfeited	(15,606,049)	0.34
Outstanding at 31 December 2023	33,423,857	3.17
Granted	33,226,890	0.69
Forfeited	(2,727,270)	0.38
Cancelled ⁽ⁱ⁾	(10,196,601)	7.50
Outstanding at 31 December 2024	53,726,876	0.55
Granted	3,030,300	1.60
Forfeited	(303,030)	0.69
Outstanding at 31 May 2025	56,454,146	0.59

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:

	2017 Share Incentive Scheme	2018 Share Incentive Scheme
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.

(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 Listing 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 consolidated financial statements, 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 Listing, the carrying amount of the liabilities will then be reclassified from current liabilities to other reserve with no further gain or loss.

(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)

	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

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 RMB'000	Loss allowance 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 RMB'000	Loss allowance 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 RMB'000	Loss allowance 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>

	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
		755,905	12,082

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.

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						
	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	Carrying amounts in the consolidated statements of financial position
	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						
	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	Carrying amounts in the consolidated statements of financial position
	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						
	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	Carrying amounts in the consolidated statements of financial position
	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>

As at 31 May 2025 contractual undiscounted cash outflow						
	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	Carrying amounts in the consolidated statements of financial position
	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

(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

<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
天津市量化派商貿有限公司	
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>
				(unaudited)	
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).

(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
	<u>1,411</u>
CURRENT LIABILITIES	
Trade and bills payables	592
Other payables and accruals	124
	<u>716</u>
NET CURRENT ASSETS	<u>695</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>695</u>
NET ASSETS	<u>695</u>

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 consolidated financial statements. These developments include the following.

	Effective for accounting periods beginning on or after
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 except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss and other comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.