

SUMMARY

This summary is an overview of the information contained in this document and does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the [REDACTED].

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

OVERVIEW

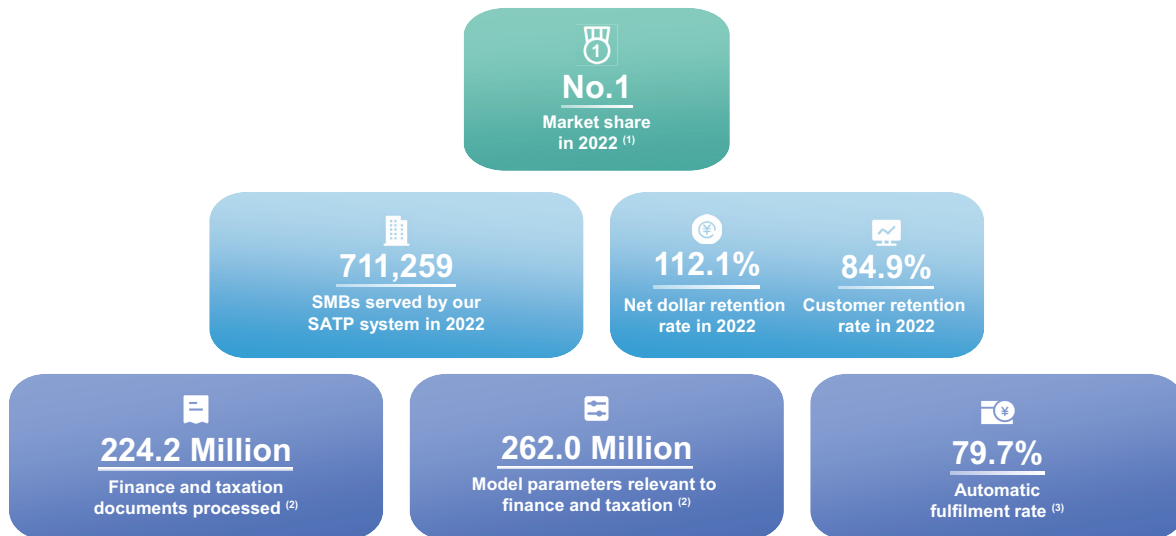
Our Mission

Harness the full potential of advanced technologies to empower SMBs to succeed.

Who We Are

We are the largest SMB finance and taxation solution provider in China in terms of total revenue in 2020, 2021 and 2022, respectively, reaching nearly four times of the market share of the second largest player in 2022, according to Frost & Sullivan. We also held the largest number of SMB customers directly served within China’s SMB finance and taxation solution industry during 2022, as per the same source. Our proactive approach to understanding the distinctive growth challenges faced by SMBs, their struggle to get access to cost-effective quality advice to stay compliant and organized, allows us to offer AI-augmented finance and taxation solutions that encompass accounting, invoicing, tax compliance and comprehensive financial management.

The following diagram illustrates our operational highlights:



Notes:

- (1) In China’s SMB finance and taxation solution industry.
- (2) As of the Latest Practicable Date.
- (3) During the latest tax period, from January 2023 to March 2023.

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Our outstanding operational performance is built upon our exceptional proprietary technologies, preeminent brand, and extensive customer base.

- ***Proprietary Technologies.*** At Huisuanzhang (慧算賬), we are embracing the transformative power of AI to enhance the customer experience and achieve our mission. Our focus is capitalizing on this revolutionary opportunity to help SMBs succeed, while investing in our company’s reputation and sustainable growth in the future. As the trailblazer in China’s SMB finance and taxation solution industry, we are at the forefront of utilizing proprietary machine learning models to construct the backbone of our high-performing intelligent accounting engine, which is a critical component of our core finance and taxation SaaS system, namely the SATP[®] system. Through our direct engagement with SMBs, our SATP system has amassed an extensive and diverse set of model parameters, all pertinent to key facets of the finance and taxation domain. Had we not been in close contact with SMBs, listening to their needs and observing their challenges, we would not have been able to refine our system at such a rapid pace. Guided by our massive model parameter sets, this hands-on approach directly contributes to the continuous improvement in the efficiency and accuracy of our solutions. We are steadfast in our commitment to perpetually upgrade our technologies towards greater automation and intelligence. One recent example is that our automatic fulfilment rate reached approximately 80% for our SMB customers that subscribed for our SaaS-based solutions during the latest tax period from January to March 2023.
- ***Preeminent Brand.*** Our strong brand presence and industry recognition have led to multiple accolades, reinforcing our position as a leader in China’s SMB finance and taxation solution market. For example, we were recognized as “WISE 2020 Enterprise Service Gold List — Best Finance and Taxation Management Solution (WISE2020企服金榜財稅管理最佳解決方案)” in 2020. We were awarded “2021–2022 Most Investment-worthy Enterprise Service Company (2021–2022年度企業服務最具投資價值公司)” in 2022. Please see “Business — Awards and Recognitions” for details of our major recognitions. Benefiting from customer satisfaction and preeminent brand recognition in the industry, we achieved a customer retention rate of 84.9% in 2022, which was significantly higher than the industry average level, according to Frost & Sullivan.
- ***Extensive Scale.*** The number of SMBs served by our SATP system under our brand amounted to 711,259 in 2022. According to Frost & Sullivan, we were the largest provider of finance and taxation solutions for SMBs in China, as determined by the number of SMBs directly served by us in 2022. Furthermore, our market share in terms of the total revenue in 2022 reached nearly four times of the second largest player in China’s SMB finance and taxation solution industry, as per the same source. Our close proximity to customers and extensive industry experience of nearly a decade enabled us to amass approximately 262.0 million multidimensional model parameters related to SMBs’ business, finance and taxation process from more than 224.2 million documents as of the Latest Practicable Date, representing the industry’s largest parameter sets, according to Frost & Sullivan.

Our commitment to innovation and excellence in the SMB finance and taxation solutions landscape has enabled us to maintain a competitive edge in the market, serving as a valuable partner for SMBs throughout China.

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Whom We Serve

We primarily focus on serving SMBs across various growth stages and industry verticals throughout China. SMBs in China have experienced a consistent growth over the past decades. According to Frost & Sullivan, the number of SMBs in China had been increasing and surged from 29.9 million in 2017 to 53.2 million in 2022, with a remarkable CAGR of 12.2%. This upward trend is expected to continue, reaching 78.2 million in 2027 at a CAGR of 8.0% from 2022 to 2027.

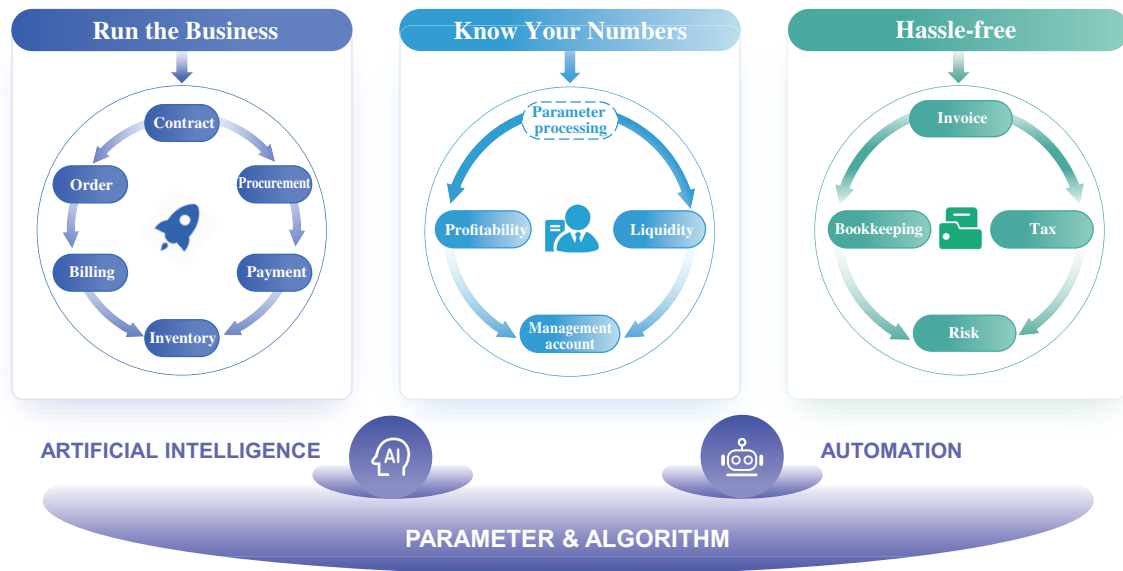
We have identified several common struggles faced by SMBs in managing their finances and taxes and are committed to providing solutions for these challenges:

- ***Cost and Quality Conundrum.*** In China, every business is required by the applicable laws and regulations to maintain accurate books and records, and accordingly, to file taxes on a monthly or quarterly basis, contingent upon their designated tax filer status. However, SMBs often struggle to strike the right balance between cost and quality in traditional finance and tax management strategies. Nearly 20% of SMBs choose to hire and retain in-house accounting and tax professionals while using finance software for their bookkeeping and tax filings, according to Frost & Sullivan. However, the cost to hire and retain an accounting and tax professional can be burdensome for SMBs with limited budget. Additionally, the growing complexity of industries and businesses also presents significant challenges to the work efficiency and quality of an individual accounting and tax professional. Consequently, the vast majority of SMBs do not have an internal finance and taxation function, but rather prefer engaging third-party finance and taxation solution providers to manage their finances and taxes either with integrated solution providers with both R&D and fulfilment capabilities, or conventional solution providers who rely on third-party software due to lack of R&D capabilities. However, most conventional solution providers that rely on entry-level finance software with basic functions may lack the necessary insights or distinct technological capabilities to accurately understand customers’ businesses, thereby tend to overlook or misrepresent critical facts and circumstances, ultimately affecting the quality and efficiency of their solutions to meet customer demands in finance and taxation compliance.
- ***Premium Service Demand Unsatisfied.*** SMBs also suffer from obtaining services that cater to their operational and management requirements. The increasing intricacy of industries and business environment has amplified SMBs’ demands for comprehensive financial management. However, most solution providers often fail to provide premium services because they are not equipped with an effective tool to process and integrate financial and operational data from diverse sources efficaciously, whereby inevitably lead to inefficiencies and diminished profits for SMBs.

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What We Offer

By recognizing and addressing these common struggles, we aim to provide an AI-augmented solutions tailored to help SMBs run their businesses, analyze their performance and drive major efficiency gains and cost savings, meanwhile stay fully compliant. This empowers SMBs to thrive in an increasingly competitive market, through achieving better resource allocation, more efficient decision-making, greater profitability, all of which were achieved with a smooth process on compliance management. The following diagram illustrates our solutions:



Run the Business

Our solutions facilitate the daily operations of SMBs, covering the end-to-end process of all necessary steps to close the transactions and record earnings. Our solutions offer a single, user-friendly interface that interacts with multiple systems, ensuring seamless and efficient operations, and freeing up valuable time for businesses to focus on growth and innovation. The issue of data synchronization among different software tools used by SMBs could be tackled by us as we augment the power of sophisticated AI models and robust engines. Additionally, our proprietary OCR and RPA automate identification and validation of key information from original documents, while NLP is also utilized to decipher and interpret unstructured data, such as text messages and notes, stored in different software systems. This integrated approach provides a unified and comprehensive view of business activities, ensuring no information is siloed or overlooked.

Know Your Numbers

Our SaaS-based solutions harness all the data in our SATP system to provide actionable insights, from high-level summaries to transaction-specific details. Our SATP system utilizes AI models to automate data classification, making the analysis process more precise and efficient. We designed our SATP system to generate tailored reports for specific customers, ensuring pertinent

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financial information is accessible and easily understood. Additionally, our risk assessment process, augmented by AI, can identify and highlight anomalies in financial data to provide early warnings to SMBs of potential issues such as fraud or abrupt market changes.

Hassle-free

The provision of standardized bookkeeping and tax filing services forms an integral part of our commitment to addressing SMBs’ essential compliance requirements, particularly for those without an internal accounting and tax function. Utilizing our proprietary accounting engine, our SATP system automatically gathers, validates and categorizes financial data from various sources for bookkeeping based on its understanding of accounting rules. RPA bots are programmed to extract, organize and compile data for tax preparation, and accurately populate the relevant fields within tax forms. Our AI-augmented risk assessment algorithm checks tax filings for compliance with current tax laws and regulations, for the purpose of identifying potential red flags or anomalies that might trigger an audit or result in fines. Upon completion and review of tax forms, RPA bots facilitate the submission to the government’s electronic tax filing systems, and also capture and store the confirmation of the submission. Our SATP system’s “fully-automated filing (一鍵申報)” feature enables automatic tax filing and financial statement submission, while our fulfilment team of accounting and tax professionals advise our customers for their risk exposure to finance and taxation non-compliance.

Our advanced technological capabilities, coupled with a sweeping set of customer parameters accumulated from our direct engagement with SMBs, allow us to:

- offer high-quality solutions to SMBs at a fraction of what it would cost to hire a full-time in-house accounting and tax employee, to complete the tasks as an alternative for an internal accounting and tax function;
- reduce potential risks caused by employee turnover or malpractices; and
- enhance the customer experience through prompt responses and timely reminders.

Facilitated by advanced AI technologies specifically applicable to the finance and taxation solutions, our fulfilment team is able to provide scalable services while minimizing manual intervention. Combining advanced technologies and professionals’ knowledge, our integrated solutions outperform conventional solutions, offering superior efficiency and accuracy in the realm of finance and taxation.

Our Revenue Source and Key Financial Performance

During the Track Record Period, we generated revenue primarily from (i) SaaS-based solutions empowered by our SATP system; and (ii) non-subscription-based professional services, primarily including consultation services and matchmaking services. We had achieved significant growth during the Track Record Period. Our revenue for the years ended December 31, 2020, 2021 and 2022 was RMB275.4 million, RMB346.8 million and RMB516.0 million, respectively, representing a CAGR of 36.9% from 2020 to 2022, which outpaced the industry average of 13.6%, according to Frost & Sullivan. In 2020, 2021 and 2022, our gross profit amounted to RMB122.6 million, RMB171.3 million and RMB268.2 million, respectively, representing a CAGR of 47.9% from 2020 to 2022.

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OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths could enable us to achieve rapid and sustainable growth and maintain the leading position among finance and taxation solution providers in China:

- unparalleled leadership in the broad and constantly growing SMB finance and taxation solution industry in China;
- preeminent brand recognition and strong influence;
- robust research and development capabilities and continuous technological innovations, helping customers achieve better cost-efficiency; and
- a rich collection of customer parameters to continuously improve our SATP system.

OUR BUSINESS STRATEGIES

To achieve our mission, we plan to adopt the following strategies:

- continue to expand our operation, increase market penetration, and explore strategic partnerships with leading players across diverse industries;
- develop differentiated solutions to cater to various customer needs, optimize ARPU and enhance customer retention;
- increase investment in technological innovations and SATP system upgrades to improve operational efficiency and cost-effectiveness; and
- broaden our service network through strategic acquisitions.

OUR SOLUTIONS

We are dedicated to empowering SMBs throughout China by delivering trustworthy and efficient finance and taxation solutions, powered by our exclusive advanced technology.

Our SaaS-Based Solutions: Harnessing the Power of Technology

Our core business is anchored in developing and offering innovative solutions, primarily through our proprietary SATP system. This system is designed to tackle the long-standing challenges that SMBs face in the realm of finance and taxation. We employ two strategic models, namely the Direct-to-Business Model and the Licensing Model, serving SMBs and regional partners, respectively.

The Direct-to-Business Model: Direct Delivery of Finance and Taxation Solutions

Under the Direct-to-Business Model, we directly provide SMBs with finance and taxation solutions, underpinned by our SATP system. Given the operational and financial limitations typically encountered by SMBs, striking a balance between service costs and quality is often a challenge. To address this, we have strategically developed our SATP system by leveraging cutting-edge technologies and intertwining our SATP system with professional services, enabling

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us to effectively identify and cater to evolving customer demands, thereby enhancing customer value and fostering customer loyalty. This allows us to deliver a comprehensive range of solutions, from business operation and finance and taxation compliance to managerial accounting. Under this model, we generate revenue from the subscription fees paid by SMBs for our SaaS-based solutions. Please see “Business — Our Front Offices” for details.

The Licensing Model: Expanding Reach via Regional Partnerships

Simultaneously, we license our brand and SATP system to selected third-party bookkeeping agencies across China, enabling more SMBs to benefit from our advanced SATP system and enjoy the high-quality, efficient, and affordable finance and taxation solutions. This Licensing Model benefits our regional partners by granting them access to our well-recognized brand, operational expertise, advanced SATP system, and rich knowledge base. In return, these partners help magnify our brand awareness, extend the customer reach of our SATP system, and provide valuable insights into SMBs across diverse regions and industries. Under this model, we generate revenue from (i) initial service fees; and (ii) license fees calculated as a percentage of the contractual amount paid by customers served by regional partners utilizing our SATP system. Please see “Business — Our Regional Partners” for details.

Our Professional Services: Meeting Diverse Business Needs

Beyond our SaaS-based solutions, we also offer a variety of professional services to support SMBs throughout their growth journey. These services comprise consultation services, including business registration, qualification-related services and matchmaking services. We generate revenue primarily from service fees paid by SMBs, which may vary depending on the type of services provided.

The following table sets forth a breakdown of our revenue by offering type for the years indicated:

	Year ended December 31,					
	2020		2021		2022	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
SaaS-based solutions						
SMBs	185,677	67.4	242,991	70.1	393,712	76.3
Regional partners	64,701	23.5	65,594	18.9	58,904	11.4
Sub-total	250,378	90.9	308,585	89.0	452,616	87.7
Professional services	25,056	9.1	38,234	11.0	63,346	12.3
Total	275,434	100.0	346,819	100.0	515,962	100.0

OUR SUPPLIERS AND CUSTOMERS

Our Suppliers

Our suppliers primarily consist of (i) public cloud service providers of cloud-based infrastructure; (ii) software service providers or software distributors of ERP system, intelligent speech interaction system, short message service system, invoicing system and electronic agreement signing system, etc.; (iii) third-party human resource service providers; and (iv) online

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marketing solution providers. For each of the years ended December 31, 2020, 2021 and 2022, our purchases from the five largest suppliers accounted for 32.9%, 27.4% and 68.0% of our total purchases, respectively, and our purchases from the largest supplier accounted for 10.3%, 11.3% and 37.5% of our total purchases, respectively. We do not have substantial reliance on any single supplier. All of our five largest suppliers in each year during the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers during the Track Record Period.

Our Customers

Our customers primarily consist of SMBs operating in a wide array of industry verticals, primarily including retail and wholesale, construction, professional services, manufacturing, scientific and technical services, information, accommodation and food services. In addition, our customers also include regional partners as we license our SATP system and brand to them for initial service fees and license fees. For each of the years ended December 31, 2020, 2021 and 2022, revenue generated from the five largest customers accounted for 3.1%, 2.6% and 4.1% of our total revenue, respectively, and our revenue generated from the largest customer accounted for 1.1%, 1.0% and 2.1% of our total revenue, respectively. We do not have substantial reliance on any single customer. All of our five largest customers in each year during the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers during the Track Record Period.

PRICING

There are no prescribed mandatory pricing mechanisms set by regulatory authorities on our solutions hence we are entitled to set the prices of our services at our own discretion. Our pricing is typically based on certain factors, including the type and range of services that the targeted customers require, the spending power of the targeted customers, our operating costs, the competitiveness of our services in the local market, local market condition and pricing of our industry peers. Leveraging our deep insights into SMBs in different growth stages with diverse service demands, we adopt differentiated pricing strategies for our finance and taxation solutions. Please see “Business — Pricing” for details.

RISK FACTORS

Our business faces risks including those set out in “Risk Factors.” As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to invest in our [REDACTED]. Some of the major risks that we face include:

- Competition in the SMB finance and taxation solution industry in China is intense. Failure to effectively compete with our competitors may result in reduced sales, reduced margins, losses, or failure to maintain or expand customer bases, which could materially and adversely affect our business, results of operations and financial condition.
- Failure to keep up with the technological developments in the SMB finance and taxation solution industry in China, or failure to adapt to and allocate our resources among emerging technologies may materially and adversely affect our business, financial condition and results of operations.

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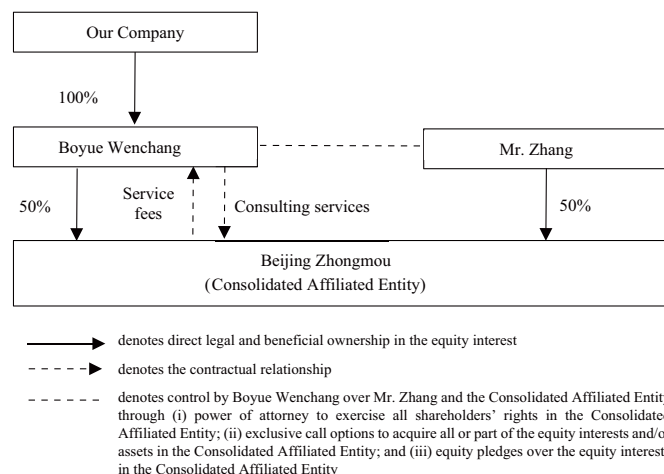
- Our initiatives to introduce new and enhanced solutions may not succeed, exposing us to additional risks and limiting our future growth.
- If we are unable to attract new customers and expand sales to existing customers, our business growth could be slower than we expect and our business may be harmed.
- Our business and growth depend substantially on customers renewing their subscription agreements with us and any decline in our customer renewals could adversely affect our future operating results.

OUR CONTROLLING SHAREHOLDERS

As of the date of this document, as Mr. Zhang and Sparking Sky were in a position to control the composition of a majority of the Board, Mr. Zhang and Sparking Sky shall be regarded as our Controlling Shareholders as defined under Rule 1.01 of the Listing Rules. Immediately upon completion of the [REDACTED], Mr. Zhang and Sparking Sky will no longer be entitled to appoint any member of our Board. As such, Mr. Zhang and Sparking Sky will cease to be our controlling shareholders but Sparking Sky will remain as our single largest shareholder, and will be entitled to control an aggregate of [REDACTED] of the voting power of our Company immediately upon completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and the [REDACTED] Share Options). For details, see “Relationship with Our Controlling Shareholders.”

CONTRACTUAL ARRANGEMENTS

As the operation of our Consolidated Affiliated Entity is subject to certain foreign ownership restriction under PRC laws and regulations, it was not viable for our Company to hold 100% equity ownership of our Consolidated Affiliated Entity. On February 3, 2023, we entered into the Contractual Arrangements with Beijing Zhongmou and its remaining registered shareholder, Mr. Zhang, pursuant to which, we are able to assert management control over the operation of the Consolidated Affiliated Entity and are entitled to all the economic benefits derived from its operation. The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entity to our Group stipulated under the Contractual Arrangements:



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[REDACTED] INVESTORS

Since our establishment, we have received multiple series of financing from our [REDACTED] Investors to support the development and operation of our principal business and other general working capital of our Group. Their investments demonstrate their confidence in the operation of our Group and serve as an endorsement of our performance, strength and prospects. We believe that we could benefit from the investors’ commitment to our Group. See “History, Reorganization and Corporate Structure — [REDACTED] Investments” for details of our [REDACTED] Investments and the identity and background of our [REDACTED] Investors.

[REDACTED] SHARE OPTION PLAN

On November 1, 2021, our Company adopted the [REDACTED] Share Option Plan. As of the date of this document, [REDACTED] Share Options to subscribe for a total of 5,537,977 Shares (or [REDACTED] Shares as adjusted after the [REDACTED]) had been conditionally granted or approved to be granted to 228 grantees, including Directors, senior management members and employees of our Group and other grantees, among which [REDACTED] Share Options to subscribe for 4,264,181 Shares (or [REDACTED] Shares as adjusted after the [REDACTED]), representing approximately [REDACTED]% of the total issued share capital of our Company immediately after the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and the [REDACTED] Share Options) had not been exercised and remained outstanding. No further [REDACTED] Share Options may be granted after the [REDACTED]. See “Appendix IV — Statutory and General Information — D. [REDACTED] Share Option Plan” and “Waivers from Strict Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver and Exemption in Relation to the [REDACTED] Share Option Plan” for further details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our combined financial information for the Track Record Period, extracted from the Accountant’s Report set out in Appendix I to this document:

Summary of Combined Statements of Comprehensive Loss

	Year ended December 31,		
	2020	2021	2022
		(RMB’000)	
Revenue	275,434	346,819	515,962
Cost of revenue	(152,849)	(175,522)	(247,723)
Gross profit	122,585	171,297	268,239
Operating loss	(134,713)	(423,815)	(328,040)
Loss before income tax	(298,993)	(682,986)	(505,783)
Income tax expense	—	(1)	—
Loss for the year	(298,993)	(682,987)	(505,783)
Non-IFRS measures			
Adjusted net loss	(140,070)	(393,694)	(300,702)
Adjusted EBITDA	(106,978)	(343,875)	(207,558)

We had achieved significant growth during the Track Record Period. We recorded revenue of RMB275.4 million, RMB346.8 million and RMB516.0 million in 2020, 2021 and 2022, respectively, representing a CAGR of 36.9%. Our gross margin steadily increased from 44.5% in

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2020 to 49.4% in 2021 and further increased to 52.0% in 2022, evidencing our improved profitability supported by economics of scale and enhanced operating efficiency. Please see “Financial Information — Combined Statements of Comprehensive Loss” for details.

Gross Profit and Gross Margin

	Year ended December 31,					
	2020		2021		2022	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
SaaS-based solutions						
SMBs	60,516	32.6	113,636	46.8	210,898	53.6
Regional partners	59,569	92.1	53,844	82.1	43,347	73.6
Sub-total	120,085	48.0	167,480	54.3	254,245	56.2
Professional services	2,500	10.0	3,817	10.0	13,994	22.1
Total	122,585	44.5	171,297	49.4	268,239	52.0

During the Track Record Period, our SaaS-based solutions contributed substantially to all of our gross profit. As a result, our overall gross margin was heavily influenced by the gross margin of our SaaS-based solutions, which consistently demonstrated growth throughout the period. This can be attributed to the fact that our standard SaaS-based solutions generate recurring subscription revenue with minimal incremental costs. Please see “Financial Information — Combined Statements of Comprehensive Loss — Gross Profit and Gross Margin” for details.

Summary of Combined Statements of Financial Position

	As of December 31,		
	2020	2021	2022
		(RMB'000)	
Total non-current assets	99,205	212,206	228,637
Total current assets	62,843	97,685	342,139
Total assets	162,048	309,891	570,776
Total non-current liabilities	1,328,354	2,129,733	2,477,962
Total current liabilities	429,034	611,422	661,154
Total liabilities	1,757,388	2,741,155	3,139,116
Total deficits	(1,595,340)	(2,431,264)	(2,568,340)
Total deficits and liabilities	162,048	309,891	570,776
Net current liabilities	366,191	513,737	319,015

We had net current liabilities of RMB366.2 million, RMB513.7 million and RMB319.0 million as of December 31, 2020, 2021 and 2022, respectively. Please see “Financial Information — Discussion of Certain Key Items of Statements of Financial Position — Net Current Liabilities” and “Risk Factors — Risks relating to our Business and Industry — We recorded net operating cash outflows, net current liabilities and net liabilities during the Track Record Period and we cannot assure you that we will not record the same in the future” for details.

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Summary of Combined Statements of Cash Flows

	Year ended December 31,		
	2020	2021	2022
		(RMB'000)	
Net cash outflow from operating activities .	(35,476)	(216,456)	(218,061)
Net cash outflow from investing activities .	(9,628)	(46,148)	(16,597)
Net cash inflow from financing activities . .	45,629	249,615	469,585
Net increase/(decrease) in cash and cash equivalents.	525	(12,989)	234,927
Cash and cash equivalents at the beginning of the year.	25,631	26,156	13,167
Effects of exchange rate changes on cash and cash equivalents	—	—	997
Cash and cash equivalents at the end of the year	26,156	13,167	249,091

In 2020, 2021 and 2022, we incurred net cash outflow from operating activities of RMB35.5 million, RMB216.5 million and RMB218.1 million, respectively. Please see “Financial Information — Liquidity and Capital Resources — Cash Flow Analysis — Net Cash Outflow from Operating Activities” and “Risk Factors — Risks relating to our Business and Industry — We recorded net operating cash outflows, net current liabilities and net liabilities during the Track Record Period and we cannot assure you that we will not record the same in the future” for details.

Key Financial Ratios

	For the year ended/As of December 31,		
	2020	2021	2022
Gross margin (%)	44.5	49.4	52.0
Revenue growth (%)	N/A	25.9	48.8
Adjusted EBITDA margin (non-IFRS measures) (%)	(38.8)	(99.2)	(40.2)
Adjusted net loss margin (non-IFRS measures) (%)	(50.9)	(113.5)	(58.3)

Please see “Financial Information — Key Financial Ratios” for details.

COMPETITION

According to Frost & Sullivan, we operate in the highly fragmented and rapidly evolving SMB finance and taxation solution industry in China. In 2022, the top five solution providers in China’s SMB finance and taxation solution industry accounted for approximately 0.84% of the total market size, with an aggregated revenue of RMB0.90 billion. We primarily compete with our competitors on the following key aspects: (i) the price of solutions; (ii) the recognition of the brand name; (iii) the quality and efficiency of solutions; (iv) the capabilities of cost management and cost control; and (v) the capabilities of providing tailored solutions to enterprises of different sizes in different industry verticals. However, we believe we are well positioned to capitalize on the future industry growth, leveraging our preeminent market position and extensive market knowledge accumulated over years of operations. See “Industry Overview” for a more detailed discussion regarding the industry where we operate and the competitive landscape of such industry.

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COMPLIANCE AND LEGAL PROCEEDINGS

As of the Latest Practicable Date, we were not a party to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by the PRC government authorities or third parties which would materially and adversely affect our business. Our Directors are not involved in any actual or threatened material claims or litigation. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material or systemic non-compliance incidents, which, taken as a whole, are likely to have a material and adverse effect on our business, financial condition or results of operations.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Recent Development

Subsequent to December 31, 2022 and up to May 31, 2023, our business experienced growth on a continual basis. Benefitting from our continuous efforts in driving revenue growth by expanding customer base and optimizing ARPU, we are able to continuously improve our cost-efficiency and profitability, leading to sustainable business development.

No Material Adverse Change

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2022, being the date of the latest audited combined financial position of our Group as set out in the Accountant’s Report in Appendix I to this document. We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules.

[REDACTED] STATISTICS

[REDACTED] size:	Initially approximately [REDACTED]% of our enlarged share capital
[REDACTED]:	Up to [REDACTED]% of our initial [REDACTED]
[REDACTED] per [REDACTED]:	HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]
[REDACTED] Structure:	[REDACTED]% [REDACTED] and [REDACTED]% [REDACTED] (subject to [REDACTED] and the [REDACTED])

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	Audited combined net tangible liabilities of our Group attributable to owners of our Company as of December 31, 2022	Estimated [REDACTED] from the [REDACTED]	Estimated impact on the conversion of the redeemable convertible preferred shares upon the completion of the [REDACTED]	Unaudited pro forma adjusted combined net tangible assets of our Group attributable to owners of our Company as of December 31, 2022	Unaudited pro forma adjusted combined net tangible assets of our Group attributable to owners of our Company per Share	
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB)	(HK\$)
Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED].	(2,649,208)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED].	(2,649,208)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Note:

- (1) Please see “Appendix II — Unaudited Pro Forma Financial Information” for further details regarding the assumptions used and the calculations method.

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include [REDACTED] commissions, professional fees paid to legal advisers and the Reporting Accountant for their services rendered in relation to the [REDACTED] and the [REDACTED]. The estimated total [REDACTED] expenses (based on the mid-point of our indicative [REDACTED] range for the [REDACTED] and assuming that the [REDACTED] is not exercised, excluding any [REDACTED] which may be payable by us) for the [REDACTED] are approximately RMB[REDACTED], of which approximately RMB[REDACTED] is expected to be recognized as administrative expenses and approximately RMB[REDACTED] is expected to be recognized as a deduction in equity directly upon the [REDACTED]. Our Directors do not expect that such expenses will have a material adverse effect on our results of operations for the year ending December 31, 2023. Our estimated [REDACTED] expenses represent approximately [REDACTED]% of the gross [REDACTED] based on the same assumption. During the Track Record Period, we did not incur any [REDACTED] expenses.

DIVIDENDS

No dividend has been proposed, paid or declared by our Company since its incorporation, or by any of the subsidiaries of our Group during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio.

SUMMARY

USE OF [REDACTED]

We estimate the [REDACTED] of the [REDACTED] which we will receive, assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-end of the [REDACTED] range stated in this document), will be approximately HK\$[REDACTED], after deduction of [REDACTED] fees and commissions and estimated expenses payable by us in connection with the [REDACTED] and assuming the [REDACTED] is not exercised.

We intend to use the [REDACTED] of the [REDACTED] for the following purposes:

Approximately HK\$ [REDACTED]	Percentage of [REDACTED]	Future Plans
[REDACTED]	[REDACTED]%	Expanding our operation, increase market penetration, and explore strategic partnerships with leading players across diverse industries
[REDACTED]	[REDACTED]%	Enhancing our finance and taxation solutions
[REDACTED]	[REDACTED]%	For research and development to enhance our technological capabilities
[REDACTED]	[REDACTED]%	For strategic investments and acquisitions
[REDACTED]	[REDACTED]%	For working capital and other general corporate purposes

For details, please see “Future Plans and Use of [REDACTED].”