Ruihe Data Technology Holdings Limited
瑞 和 數 智 科 技 控 股 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 3680)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of Ruihe Data Technology Holdings Limited (the "**Company**") announces the audited consolidated results of our Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2023 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2022.

In this announcement, "we", "us", "our" and "Ruihe Data" refer to our Company and where the context otherwise requires, our Group.

FINANCIAL HIGHLIGHTS

1. Revenue for the Reporting Period amounted to approximately RMB367,945,000, representing a decrease of approximately 2.4% or approximately RMB9,181,000 as compared with that of 2022. During the Reporting Period, the Group strategically adjusted its business direction and widened its new tracks, focusing on nationalized information technology construction, IT industry, data platform, AI big model, smart city construction and data financial engineering, aiming to provide end-to-end all-round solutions for data infrastructure, data storage, data processing, data use and analysis, data intelligence precision marketing for government and enterprise, banks, insurance, securities, energy, healthcare and other industries. As a result, the composition of revenue during the Reporting Period mainly changed as follows: (1) the Group expanded its sales of hardware and software and related services as an integrated service, resulting in an increase of revenue by approximately 85.7% or approximately RMB66,739,000 during the Reporting Period; For example, during the Reporting Period, the Group collaborated with a municipal state-owned big data company of a certain city and a leading provider of information technology infrastructure products in China to provide major national banks and other customers with a full range of solutions to promote the development and application of data assets in the financial sector, the construction of data platforms, the construction of smart cities, the innovative development of information technology applications and the building of localized information technology; (2) due to the impact

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of the macroeconomic and the increasing maturity of the information systems of large financial institutions, there was a tightening of IT and marketing budgets, resulting in a decrease of approximately 37.6% or approximately RMB100,574,000 in revenue from data solutions business, and a decrease of approximately 46.2% or approximately RMB14,598,000 in revenue from IT maintenance and support services; (3) the Group expanded into new business models, diversified its development through multiple directions and channels, and added a new commodities trading business during the Reporting Period, with related revenue of approximately RMB39,252,000, offsetting part of the decrease in revenue.

2. Gross profit for the Reporting Period amounted to approximately RMB47,127,000, representing a decrease of approximately 47.2% as compared with 2022. The decrease in gross profit was mainly due to the structural adjustment in the revenue composition in 2023, with an increased proportion of the sales of hardware and software and related services as an integrated service, which has a lower gross profit margin than data solutions business, resulting in the decrease in gross profit during the Reporting Period.

    Gross profit margin for the Reporting Period was approximately 12.8%, representing a decrease of approximately 10.9% as compared with 2022 (2022: approximately 23.7%). The decrease in gross profit margin was mainly due to lower gross profit from the sales of hardware and software and related services as an integrated service, which carries higher proportion of revenue.

3. Net loss for the Reporting Period amounted to approximately RMB109,009,000 representing a decrease of approximately 12.1% as compared with 2022 (2022: net loss of approximately RMB124,022,000) with a decrease of loss margin year-on-year. The loss for the Reporting Period was mainly due to:

    1) impacted by the macro-economy, IT business adjustment of large financial institutions and tightening of marketing budgets;

    2) the adjustment in revenue structure in 2023 and increase in proportion of sales of hardware and software and related services as an integrated service with lower gross profit;

    3) provision for impairment of financial and contract assets of our Group of approximately RMB27,269,000 based on prudent consideration;

    4) impairment of fixed assets, intangible assets and right-of-use assets of approximately RMB17,800,000 due to business strategy adjustment; and

    5) finance costs of approximately RMB7,712,000.

4. Basic and diluted loss per share for the Reporting Period was approximately RMB18.8 cents (2022: loss of approximately RMB30.9 cents per share).

BUSINESS REVIEW AND PROSPECTS

The Group initiated a senior management team renewal in July 2023. After six months of internal operational restructuring and the implementation of the Amoeba Business Unit Management Model, the Group achieved significant cost reduction and efficiency improvement. Overall operating losses narrowed significantly from the second half of the year onwards, resulting in a strong recovery and demonstrating strong vitality and resilience. The average monthly labor cost from January to September 2023 was approximately RMB16.88 million, and the average monthly labor cost from October to December was approximately RMB12.00 million, representing a sequential reduction of 29% and a significant decrease in operating costs.. Basic and diluted loss per share was RMB30.9 cents in 2022 and RMB18.8 cents in the Reporting Period, representing a 39% year-on-year decrease in basic and diluted loss per share and a strong momentum to narrow the loss. The significant improvement in various indicators at the operating level represents the effectiveness of the optimization and restructuring of the Company and its business structure, which has further strengthened its foundation and solidified its core fundamentals. Phase-by-phase organizational restructuring and business expansion achieved results.

During the Reporting Period, in the face of the global macro-economy and the complex and volatile situation and challenges both at home and abroad, the Group, as a leading AI data and marketing technology company, has been deeply engaged in the AI big data industry and finally ushered in the wave of AI big data development. In response to the national development strategy of "digital economy", the Group, as a leading AI big data and artificial intelligence solution provider in China, possesses the advantages of data integration, data governance, digital warehouse management, data intelligent precision marketing, AI big model, omni-channel resources and integration of big data industry platforms, etc. The Group will fully utilize its own big data and marketing technology to meet the challenges of the ever-changing situation. The Group will give full play to its advantages in big data and artificial intelligence technology, actively explore the prospect of data assets in the table, the IT industry, nationalized information technology construction, the construction of smart cities, the innovative application of financial AI big models, expand the application business model of data elements in more industries, enhance the promotion of the application of big data in governmental and enterprise, financial institutions and Internet systems, promote the construction of information technology and the development of big terminal industry, and empowering the innovative application of emerging technologies such as AI big data, strengthening the in-depth cooperation with ecological chain enterprises, and thus enhancing the Group's technological core competitive advantages.

At present, the main products of the Group are: marketing core ("Linghuo" intelligent marketing platform, "Lingyue" labeling and imaging platform) and data core ("Lingrui" data cloud service platform, Lingxue panoramic regulatory compliance platform, "Linggui" distributed database). Currently, the Group is continuously updating and developing new products.

During the Reporting Period, the Group obtained the qualification of "Small Giant" enterprise at the national level of specialization, was certified as the No. 1 in the market of intelligent marketing solutions for the banking industry by IDC, a world-renowned data company; passed the highest level of qualification in the global software industry, CMMI Level 5; and has accumulated 40 invention patents and 148 software copyrights.

The Group is deeply engaged in the strategic fields of government and enterprise, finance, energy, healthcare, retail, and telecommunication operators, and is actively laying out and expanding new tracks. We adhere to the service concept of creating value for our customers and create more incremental performance gains for our customers through our technology products. We will continue to enhance customer satisfaction with our superior products and services. The Group continues to introduce quality partners, and through the cooperation of existing eco-partner resources, such as Ali Cloud, Huawei Cloud, Baidu Cloud, ByteDance and other internet giants, we provide our customers with data assets into the table technology solutions, AI big data analysis, artificial intelligence and digital marketing domestic alternative products, solutions, consulting services and business incremental services, and at the same time, open up new fields and new tracks, and make every effort to serve our customers, striving to gradually realize the grand blueprint and committing to become a new benchmark in the global AI big data industry. The Group will strive to create greater value for our customers and shareholders by enhancing operational efficiency through continuous cost reduction and efficiency enhancement, as well as maintaining its technological edge through continuous exploration and research and development.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Analysis on industry background

In 2023, the Chinese economy experienced a slowdown in growth, but the fundamental aspect of "economic recovery and improvement" remained unchanged. Compared with the previous year, China's GDP increased by 5.2%, which is higher than the projected global growth rate of about 3%, ranking a leading position among world's major economies. China is an important engine of world economic growth. The economic growth fully reflects the resilience and vitality of China's economy.

At present, China is in a critical period of economic recovery and industrial transformation and upgrading. The digital economy is crucial for the high-quality development of China's economy in the future. Digital economy has formed a new growth point through digital industrialization and industrial digitization. As the "new productive force" in the transformation of digital economy, data elements play a pivotal role in promoting the development of thousands of industries. Fully exploring the maximum value of data assets and forming a good ecological environment for the commercialization of data assets will help promote the take-off of China's economy.

First, the role of digital economy in the development of financial industry is becoming increasingly prominent. "No technology, no finance" means that technology and digital applications have become the key to the future of the financial industry. According to the statistics of the annual reports published by commercial banks in 2023, six state-owned banks only invested RMB116.549 billion in financial technology in 2022, representing an increase of 8.4% year-on-year, and the average investment of each state-owned bank was RMB19.425 billion. According to the statistics of the China Banking Association, small and medium-sized banks have also maintained a continuous growth trend in technology investment.

2023 is the first year of the big model of artificial intelligence. Artificial intelligence (AI) technology has developed rapidly around the world and penetrated into all industries. The generative artificial intelligence model effectively expands the boundaries of financial technology innovation and provides an unprecedented new productivity. With the further development of artificial intelligence and big data, the financial technology industry will accelerate its digital transformation. During the Reporting Period, Beijing, Shanghai, Shenzhen and other cities successively issued relevant policy documents to promote the development of the artificial intelligence industry, showing the government's support for the development of the artificial intelligence industry. These policy documents clearly propose to accelerate the construction and application of artificial intelligence scenarios.

From the perspective of industry policy, in 2023, the Chinese government provided greater policy support to the development of the data industry, the innovative application of artificial intelligence technology, digital-intelligent construction, and the development of information technology application innovation. At the same time, government regulatory authorities have also standardised and strictly monitored data security, data supervision and innovative application of AI technology to ensure the safety of the application of new technologies and guard against technology application risks.

In February 2023, the "Plan for the Overall Layout of Building a Digital China" issued by the Central Committee of the Communist Party of China and the State Council of the PRC have provided long-term goals for the development of our country's digital economy in terms of digital infrastructure, data elements, platform economy and digital technology. It is pointed out that the building of a digital China is an important engine for promoting Chinese style modernization in the digital era, and a strong support for building a new advantage in national competition. In August 2023, the "Interim Provisions on Accounting Treatment Relating to Enterprises' Data Resources" was issued by the Ministry of Finance. Since then, data resources have been regarded as an asset and included in the financial statements, and data assets have also been upgraded to a national strategic level. Inclusion of data assets into the financial statements will have a huge impact on our country's economy as a whole. In the future, it is expected that nearly RMB100 trillion of data assets will be released, and inclusion of data assets into the financial statements will also bring unlimited business opportunities to data service providers.

In October 2023, the National Data Bureau managed by the China National Development and Reform Commission was officially inaugurated, which is responsible for coordinating and promoting the construction of the fundamental data system, coordinating and planning data resource integration for sharing, development and use, as well as coordinating the planning and construction of digital China, the digital economy, and the digital society. This fully reflects the importance attached by the national decision-making level to data as a general tool for economic and social development, which will further accelerate the construction of a unified national and global-oriented data market and promote the accelerated development of the digital economy.

Pursuant to the "14th Five-Year Plan for Development of the Digital Economy", the target is that by 2025, the added value of core industries of digital economy will account for 10% of the GDP. On this basis, it is predicted that the proportion of core industries of digital economy will rise to 13.1% by 2035. The Central Economic Work Conference in December 2023 proposed that the first priority of the key tasks for 2024 was "leading the construction of a modern industrial system by scientific and technological innovation", among which the digital economy ranked first, emphasizing that "we must vigorously promote new industrialization, develop digital economy, and accelerate the development of artificial intelligence", "extensively apply digital intelligence technology and accelerate the transformation and upgrading of traditional industries" etc. Compared with the Central Economic Work Conferences in the last five years, the Central Government has paid more and more attention to the development of digital economy.

We believe the release of the potential value of digital economy will be a non-linear, exponential growth curve as the AI value turning point arrives. As the "No. 1 Financial AI Stock in Hong Kong Stock Market", the Group's main business is to provide domestic alternative products, solutions and consulting services in the fields of big data, AI and digital marketing for customers such as banks, insurance, securities, enterprises and governments. Under the support of national policies and the general trend of industry development, we believe that the development of industries which are highly relevant to the Group's business, such as the digital economy, will bring noticeable support to the Company's performance in future.

II.　Business review for 2023

1.　*Continued to focus on cultivating our competitive advantages and maintaining our leadership in the intelligent marketing solutions market*

The Group has been committed and dedicated in the financial sector, with AI big data and digital transformation as its core businesses, surrounding the independent innovation of information technology and empowering digital transformation of the industry, we gave full play to its technological advantages in data intelligence and marketing technology to deeply empower its clients in business scenarios such as customer analysis and insight, refined customer segment operation and intelligent marketing system construction. In the field of data business, the Group has entered into cooperation with a number of financial institutions to help clients, among other things, to carry out data governance, improve the regulatory reporting system, optimise data asset management, and provide good support for data application. This has helped banking institutions to extract value from data and empower their digital transformation of the industry.

In June 2023, the Group successfully provided an integrated data center and data model construction project for a provincial city business alliance, representing a key step forward for the Company in its centralized business capability.

In June 2023, IDC, an authoritative global IT market research and consulting agency released the report of "Market Share of Chinese Banking Industry IT Solutions 2022: Deepening Competition and Resilient Growth (中國銀行業IT解決方案市場份額，2022：競爭深化，韌性成長)". The Group ranked first in terms of market share in "Intelligent Marketing Solutions Market" with absolute advantages and continued to take lead in the intelligent marketing solutions market.

2. ***Achieved positive results by focusing on top-tier banks and implementing targeted strategies***

The Group adhered to the service philosophy of "customer centric, continuously creating value for customers", focusing on existing customers through vertical and horizontal directions of market development strategy, intensively cultivating top-tier banks and widening and deepening the work in top-tier financial institutions; expanded incremental customers, opened up new fields and scenarios, and has formed a market landscape with diversified customers and scenarios and nationwide coverage. The Company has provided services to four major state-owned banks and 11 national joint-stock banks, with a top-tier banks coverage ratio of more than 80% and has maintained stable contract renewals with major customers.

In 2023, the Group continued to expand its market share in the financial sector. In 2023, a new large state-owned bank customer was added and we provided this bank with data application support service projects, including the evaluation, consultation and implementation relevant to data application support in terms of data management, data standardization, data security, data maintenance, data service and data analysis application; won the bid for a data analysis and modeling project of a large state-owned bank, strengthening data analysis and modeling capabilities to empower marketing and operation; won the bid for a top-tier joint-stock bank to facilitate the construction of a digital operation platform for wealth management; won the bid for a retail business digital intelligent marketing project of a national joint-stock bank, strengthening data analysis and mining capabilities; won the bid for a data asset knowledge graph project of a national joint-stock bank, optimizing the visualization of data assets.

3. ***Integrating resources in a multi-faceted way and expanding new tracks***

In recent years, while maintaining existing customers of financial institutions such as banks, securities and funds, leveraging on its rich experience and various successful cases in the fields of artificial intelligence and big data, the Group has seized industrial opportunities of digital transformation in the whole industry through the integration and utilization of resources, provided digital transformation solutions to government and enterprises, manufacturing, energy, healthcare and other industries, opened up new fields and tracks of digital economy, and continuously expanded its business boundaries, with a view to achieving stability and advancement in the increasingly fierce competition.

In November 2023, the Group entered into a strategic cooperation agreement with Quanzhou Big Data Operation Service Co., Ltd. (泉州大數據運營服務有限公司) ("**Quanzhou Big Data Operation Company**") to jointly explore all-round cooperation in the fields of big data industry, data scenario construction and smart city construction, jointly promoting smart city construction for Quanzhou.

In December 2023, the Group entered into a strategic cooperation agreement with PowerLeader Computer System Co., Ltd. (寶德計算機系統股份有限公司) officially. Based on the principles of complementary advantages and mutual empowerment, the two parties pushed forward the cooperation in the fields of smart city, big data information technology, inclusion of government data asset into the financial statement, localized software and hardware solutions etc., explored and expanded more business innovation models for industry big data application, jointly injecting strong momentum into the development of our country's data security strategy and the construction of big data information technology.

At the beginning of 2024, the Group and four companies, namely Quanzhou Big Data Operation Company, Advantage Financial Holdings (Shanghai) Asset Management Co., Ltd. (優勢金控(上海)資產管理有限公司), Quanzhou Licheng Cultural & Tourism Investment Group Co., Ltd. (泉州鯉城文旅投資集團有限公司) and Beijing eGOVA Co., Ltd. (北京數字政通科技股份有限公司) jointly invested RMB100 million to establish a new partnership, making full use of various policy resources and market resources and working together to promote smart city construction, inclusion of data asset into financial statement, the innovative development of information technology applications and localized information technology construction.

4. *Continued to improve the ability of independent innovation and master the independent intellectual property rights of core technologies*

The Group is committed to independent research and development and technology innovation. As of 31 December 2023, the Group has obtained 148 computer software copyright certificates and 40 invention patents in total, respectively. Among them, 12 new computer software copyright certificates and 6 new invention patents were added during the Reporting Period. During the Reporting Period, the Group successfully passed the Level 5 CMMI certification, indicating that the Group's software development process has reached the highest global standard and it is capable of delivering high-quality products and services that are globally competitive.

In 2023, the Group adhered to independent innovation, maintained its competitive advantage, and continued to update its signature products such as intelligent marketing, label portraits, regulatory compliance and big data application to strive for excellence; completed the three-party certification of "Lingmou Label Portrait Platform", "Spiritual Matrix-Data Management and Control and Service Platform (靈矩–數據管控及服務平台)" with Kylin Operation System, Nanda General Database (南大通用數據庫) and other platforms, and continuously improved and optimized product functions and user experience to meet customer needs; in the Huawei Kunpeng Application Innovation Competition (華為鯤鵬應用創新大賽), Lingmou Label Portrait Platform won the award of "Best Practice in the Industry (行業最佳實踐

獎)”; “Lingrui Data Asset Management Solutions (靈睿數據資產管理解決方案) won the “2023 Financial Data Intelligence Solution Awards (二零二三鑫智獎)” for Innovative Excellent Solutions to Data Governance and Data Platform (數據治理與數據平台創新優秀解決方案); “Customer Label Management Software” and “Real-time Marketing Campaign Planning Platform” were accredited by the Beijing Municipal New Technology & New Product (Service) Certification; the “Unified Intelligent Marketing Center Construction Project Based on Data Center Model Capability (基於數據中台模型能力的統一智能營銷中台建設項目)” jointly submitted by the Group and China Merchants Securities won the prize of “Best Big Data Project of PRC (中國最佳大數據項目)”.

Meanwhile, the Group actively participated in the construction of standard system for industry technology and became a participating enterprise in the Data Asset Catalogue Management Platform of China Academy of Information and Communications Technology (CAICT), dedicated to promoting the standardization of industry technology; together with Huawei, we have published a White Paper on Building a Data Capability System for Regional Banks (《區域銀行數據能力體系建設白皮書》), providing reference for digital transformation of reginal banks.

5.   *Actively build an open ecological cooperation system*

The Group is actively building an open ecological cooperation system. Together with partners such as Huawei, Alibaba Cloud and Baidu, we are building multidimensional competitive advantage, opening up new battlefield and activating new momentum.

In February 2023, the Group became one of the first batch of ecological partners of Baidu’s “ERNIE Bot”, fully experiencing and accessing the capability of ERNIE Bot through Baidu AI Cloud, and conducted deep cooperation with Baidu in various fields such as product research and development, standard-setting to create full-scenario artificial intelligence solutions and services in finance.

In June 2023, the Group and Huawei jointly released an Intelligent Marketing Labelling Platform Solution, which can provide customers in the financial industry with a full stack of independent and controllable software and hardware for labelling data asset management service.

In September 2023, the White Paper on Building a Data Capability System for Regional Banks prepared by the Group and Huawei, Beijing Fintech Industry Alliance was officially released, sharing its technology outcome and experience in implementation in the fields of intelligent marketing and big data solutions and providing reference value for regional banks’ digital transformation.

In January 2024, as a member of Financial Vanguard Alliance, the Group and Alibaba Cloud jointly launched an Intelligent Marketing Joint Solution which has integrated the Group's six independent product modules to provide end to end holistic solutions to financial customers.

6. ***Optimize organizational structure and strengthen refined management***

The Group adheres to the market-oriented and customer-centric approach, continuously optimizes and adjusts the Company's organizational structure and operation system, strengthens the construction of refined management capability and level, consolidates internal management, optimizes work processes, improves operational management efficiency, and promotes business innovation and synergetic development.

In September 2023, the Group launched Divisional System, aiming to optimize the Company's business function, fully implement main responsibilities of business management and development, achieve full-staff management and improve the Company's flexibility and competitiveness.

7. ***Brand renewal, and diversified marketing to drive sales growth***

The Group insists on placing brand building in a prominent position in corporate strategic development, and attaches great importance to the coordinated advancement and mutual promotion of the Company's hard power and soft power. By holding a live broadcast conference of online technology sharing and attending 2023 Apsara Conference, the 17th Shenzhen FINEXPO, 2023 China Digital Intelligence Ecosystem Conference, etc., we fully utilized mediums such as internet, newspaper and new media, publicized the Group's brand in multiple way, broad perspective and deep level, continuously promoted brand awareness and reputation, established good market reputation and continuously elevated added value of corporate brand and brand competitiveness.

On 27 October 2023, the Company officially changed its name to "Ruihe Data Technology Holdings Limited". The new name more clearly reflects the core technology, strategic positioning and long-term business development direction of the enterprise, gives more meaning in business and greater development space, better demonstrates the Group's strength and characteristics in the field of data intelligence.

8. ***Further optimize the shareholding structure, enhance the level of corporate governance and broaden the Company's financing channels***

On 15 January 2023, the Company (as issuer) entered into the subscription agreements with no less than 6 subscribers, pursuant to which the Company has conditionally agreed to issue, and the subscribers conditionally agreed to subscribe for an

aggregate of 50,800,000 subscription shares at the subscription price of HK$0.645 per subscription share, which represents (i) approximately 10.88% of the total issued share capital of the Company as at the date of the said subscription agreements; and (ii) approximately 9.81% of the total issued share capital of the Company as enlarged by the allotment and issue of the subscription shares. The total subscription price amounted to HK$32,766,000. The subscriptions were completed on 22 February 2023. The aforesaid net proceeds from the Subscriptions are intended to be used for working capital and general corporate purposes. As at 31 December 2023, the net proceeds have been fully used as intended.

On 19 March 2023, the Company (as issuer) entered into the subscription agreements with no less than 6 subscribers, pursuant to which the Company has conditionally agreed to issue, and the subscribers conditionally agreed to subscribe for an aggregate of 175,500,000 subscription shares at the subscription price of HK$0.76 per subscription share under specific mandate. The subscription shares represent approximately 33.89% of the existing issued share capital of the Company as at the date of the said subscription agreements and approximately 25.31% of the issued share capital of the Company as enlarged by the issue of the subscription shares. The total subscription price amounted to HK$133,380,000. The Company intended to utilise the aforesaid net proceeds from the subscriptions for working capital and general corporate purposes. As at 31 December 2023, the net proceeds have been fully used as intended.

The aforesaid financing has enhanced the Group's financial position, broadened the Company's shareholder and capital bases, and provided more capital support for business development.

In July 2023, the Group announced the appointment of Mr. Xue Shouguang as the Chairman of the Board, an executive Director and the Chief Executive Officer; the appointment of Ms. Zhao Yiqing as an executive Director; and the appointment of Mr. Fei Xiang as an independent non-executive Director. The Group made timely strategic adjustment to further optimize the Company's shareholding structure and governance structure and enhance the Group's governance level.

III. Outlook for 2024

With the nation's increased efforts to policy support for independent innovation in science and technology, the development of the ITAI Industry, smart city construction, data asset entry and digital-intelligent transformation, the domestic digital-intelligent transformation and upgrading, and the development of digital economy will remain in strong demand. Driven by the combination of IT architecture transformation, independent innovation, fintech technology upgrade, strict regulation and center construction, the market demand will continue to show robust growth, which will provide a solid foundation and a broad growth space for the high-quality development of the industry.

According to the forecast data of CCID Consulting, the overall IT investment in China's banking sector is expected to reach RMB513.234 billion by 2026, with an average compound annual growth rate ("**CAGR**") of 16.66% from 2022 to 2026. Among which, the market size of the banking IT solutions market in China will reach RMB139.011 billion, with a CAGR of 23.55% from 2022 to 2026. In the next three to five years, the intelligent marketing solutions market will show robust growth, and leading solution providers will gradually increase their innovation in intelligent marketing. The market is expected to reach RMB3.73 billion by 2026, with a CAGR of 30.9% from 2022 to 2026.

The Group has formed a unique competitive edge in the field of financial technology by virtue of its independent innovative technology capability, deep understanding of data intelligence application scenarios, rich experience accumulated through years of serving the financial industry, and leading all-rounded talent advantage. In the future, the Company will continue to seek development in the directions of market segment layout, new track expansion, independent technology research and development, and ecological cross-border cooperation to drive rapid business growth.

1. ***Continue to focus on the data intelligence and marketing technology markets to specialise and refine in the market segment***

    The Group will continue to focus on the data intelligence and marketing technology markets, and is committed to building the No. 1 brand in the market segment of financial intelligent marketing technology. The Group has accumulated extensive experience in product development, project implementation services and technology innovation in the field of data intelligence and marketing technology solutions, and has a complete set of integrated financial industry solutions, proven AI big data technology and professional delivery capabilities, as well as numerous successful cases.

2. ***Strengthen basic business and expand new track***

    The Group will be based in the fintech sector and target the entire industry. While maintaining continuous, stable and in-depth relationships with its recurring customers, the Group will actively expand customers across the industry to cultivate and build new performance growth points. Relying on strong technology research and development capabilities and extensive industry experience, the Group will launch more innovative, competitive and practical products and technology solutions to meet the diversified needs of the market and promote sustainable and stable growth of the Company's business.

With the deepening development of globalization and the continuous opening up of financial markets, overseas financial markets, especially those in Southeast Asia, have become an important growth curve for the performance of China's financial enterprises, and the Group will actively seek to expand its overseas markets and seek new performance growth points and market development space.

3.   *Adhere to independent innovation to maintain competitive advantage*

The Group will continue to adhere to independent innovation, strengthen its technological capabilities in the field of data intelligence and marketing technology, optimize product design and research and development, continuing to promote data-driven business growth. The R&D department will focus on the development of solution products such as data analysis, data mining, intelligent marketing, etc., and actively commit to integrating artificial intelligence technology into products to achieve intelligent innovation; at the same time, it will enhance the construction of underlying data platforms, continue to iterate regulatory compliance products, so as to help the financial institutions to further enhance the regulatory data governance and construction capabilities and to cope with the challenges of strict regulation.

Meanwhile, the Group will actively participate in domestic technical exchanges, and strengthen the collaboration with ecological partners, universities and research institutions, to jointly promote the technological progress of the industry and enhance the overall technical strength of the Company. Through continuous innovation of key technologies, the combination of localized software and hardware technology solutions and further upgrading of product solutions and core technologies, we will continue to improve the maturity of our products and adaptability to multiple scenarios, and continue to provide competitive and quality products to the market and customers.

4.   *Strengthen ecological cooperation and deepen cross-border integration*

The Group will actively seek cooperation with multi-field ecological partners, and build an ecosystem with upstream and downstream partners, so as to realize resource sharing and complement each other's advantages, optimise customer experience, enhance market competitiveness and achieve win-win development. At the same time, the Group will also actively build a big data industry platform with its partners to achieve information sharing, collaborative production and optimization of resource allocation, expand more strategic track layout and business areas, and achieve cross-border in-depth integration, so as to enhance its overall competitiveness.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	**2023** **RMB'000**	2022 *RMB'000*
Revenue	3	**367,945**	377,126
Cost of sales		**(320,818)**	(287,787)
Gross profit		**47,127**	89,339
Selling expenses		**(19,584)**	(24,822)
Administrative expenses		**(55,597)**	(99,606)
Research and development expenses		**(33,238)**	(39,580)
Expected credit losses ("**ECLs**") on financial and contract assets	4	**(27,269)**	(24,397)
Impairment loss on property and equipment		**(3,100)**	(4,756)
Impairment loss on intangible assets		**(12,000)**	(15,491)
Impairment loss on right-of-use assets		**(2,700)**	(3,753)
Fair value change of financial liabilities at fair value through profit or loss ("**FVTPL**")		**(2,681)**	(1,981)
Other income		**6,107**	9,318
Other losses, net		**(750)**	(6,781)
Operating loss		**(103,685)**	(122,510)
Finance income	5	**234**	41
Finance costs	5	**(7,712)**	(8,083)
Finance costs, net	5	**(7,478)**	(8,042)
Share of (losses)/profits of associates		**(16)**	1,043
Loss before income tax	4	**(111,179)**	(129,509)
Income tax credit	6	**2,170**	5,487
Loss for the year		**(109,009)**	(124,022)

	Note	**2023** **RMB'000**	2022 *RMB'000*
Attributable to:			
Owners of the Company		**(109,233)**	(128,192)
Non-controlling interests		**224**	4,170
		(109,009)	(124,022)
Loss for the year		**(109,009)**	(124,022)
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss:			
− Currency translation differences		**(2,379)**	1,024
Total comprehensive loss for the year, net of tax		**(111,388)**	(122,998)
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(111,612)**	(127,168)
Non-controlling interests		**224**	4,170
		(111,388)	(122,998)
Loss per share for loss attributable to owners of the Company:			
Basic and diluted loss per share (RMB cents)	7	**(18.8)**	(30.9)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	**2023** **RMB'000**	2022 *RMB'000*
ASSETS			
Non-current assets			
Property and equipment		**19,255**	30,508
Intangible assets		**80,831**	95,795
Right-of-use assets		**14,354**	17,023
Investment in associates		**14,761**	19,245
Deposit paid for acquisition of additional interests in a subsidiary		**3,465**	3,465
Deferred tax assets		**8,853**	8,427
		141,519	174,463
Current assets			
Trade and bill receivables	8	**104,285**	82,322
Contract assets	9	**71,702**	124,840
Prepayments		**5,561**	1,604
Other receivables		**6,819**	12,322
Pledged bank deposits		**1,005**	221
Cash and cash equivalents		**113,257**	15,111
		302,629	236,420
Total assets		**444,148**	410,883
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**5,950**	4,153
Other reserves		**414,975**	293,863
Accumulated losses		**(325,086)**	(215,257)
		95,839	82,759
Non-controlling interests		**21,468**	20,754
Total equity		**117,307**	103,513

	Note	**2023** **RMB'000**	2022 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		**6,149**	4,393
Deferred tax liabilities		**680**	852
Bank and other borrowings	11	**10,000**	2,461
		16,829	7,706
Current liabilities			
Trade payables	10	**91,594**	74,320
Accruals and other payables		**43,976**	70,360
Contract liabilities	9	**997**	1,907
Current income tax liabilities		**2,046**	3,542
Amounts due to directors		**–**	25,053
Lease liabilities		**5,207**	3,371
Bank and other borrowings	11	**166,192**	79,130
Financial liabilities at FVTPL		**–**	41,981
		310,012	299,664
Total liabilities		**326,841**	307,370
Total equity and liabilities		**444,148**	410,883
Net current liabilities		**(7,383)**	(63,244)
Total assets less current liabilities		**134,136**	111,219

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Ruihe Data Technology Holdings Limited (the "**Company**") is a limited company incorporated in the Cayman Islands on 6 December 2018 as an exempted company. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1−1111, Cayman Islands.

On 27 October 2023, the Company has formally changed its name from "Suoxinda Holdings Limited" to "Ruihe Data Technology Holdings Limited". The Board of Directors is of the view that the new name of the Company is more suitable for the Group's strategic direction focus, enhances the Company's corporate image and market recognition, better demonstrates the Group's strength and characteristics in the field of data intelligence and marketing business, and creates long term value for the Group and its shareholders in line with market expectation.

The Company is an investment holding company. The Company and its subsidiaries (together, the "**Group**") are engaged in provision of data solutions, sales of hardware and software and related services as an integrated service, information technology ("**IT**") maintenance and support services and trading of commodities.

The Company listed its shares on Main Board of The Stock Exchange of Hong Kong Limited on 13 December 2019.

The consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000).

2 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") and related interpretations. The consolidated financial statements have been prepared under the historical cost convention, except for the financial liabilities at fair value through profit or loss, which is carried at fair value.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

(a) ***Going Concern Basis***

The Group incurred a loss of approximately RMB109,009,000 for the year ended 31 December 2023 and as at 31 December 2023 the Group had net current liabilities of approximately RMB7,383,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

These consolidated financial statements have been prepared on a going concern basis. The directors of the Company have performed an assessment of the Group's future liquidity and cash flows, taking into account the following relevant matters:

(i)   Two directors of the Company, Mr. Xue Shouguang and Mr. Chen Zhenping, and a shareholder of the Company, Mr. Sun Dexin, will provide the loan financing funding support amounted to RMB50,000,000, RMB30,000,000 and RMB20,000,000 respectively, within 18 months from the date of the letter, i.e. 1 March 2024.

(ii)   The Group is negotiating with the counterparties to renew the existing loans from them.

Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

(b) ***Adoption of new and revised IFRSs***

In the current year, the Group has adopted all the new and revised IFRSs issued by the IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. IFRSs comprise IFRS, IAS and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new IFRSs that have been issued but are not yet effective. The application of these new IFRSs will not have material impact on the consolidated financial statements of the Group.

3 REVENUE AND SEGMENT INFORMATION

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Revenue from contracts with customers		
Integrated data technology services		
− Data solutions	**167,015**	267,589
− Sales of hardware and software and related services		
as an integrated service	**144,653**	77,914
− IT maintenance and support services	**17,025**	31,623
	328,693	377,126
Trading of commodities	**39,252**	−
	367,945	377,126
Timing of revenue recognition		
− At a point in time	**183,905**	77,914
− Over time	**184,040**	299,212
	367,945	377,126

The chief operating decision-maker ("**CODM**") has been identified as the directors of the Group. The CODM regards the Group's business units based on their products and services and has following reportable segments as follows:

(a) Integrated data technology services − data solutions, sales of hardware and software and related services as an integrated service, and IT maintenance and support services; and

(b) Trading of commodities

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in the consolidated financial statements. Segment profits or losses do not include share of (losses)/profits of associates, finance income and corporate administrative expenses incurred by the Company. Segment assets do not include investment in associates, other receivables, prepayments and cash and cash equivalents held by the Company. Segment liabilities do not include accruals and other payables and amount due to a director of the Company.

(a) The information about reportable segment profit or loss, assets and liabilities provided to the CODM for each of the years ended and as at 31 December 2022 and 2023 is as follows:

	2023			2022		
	Integrated data technology services RMB'000	Trading of commodities RMB'000	Total RMB'000	Integrated data technology services RMB'000	Trading of Commodities RMB'000	Total RMB'000
Year ended 31 December						
Segment revenue						
– Data solutions	**167,015**	**–**	**167,015**	267,589	–	267,589
– Sales of hardware and software and related services as an integrated service	**144,653**	**–**	**144,633**	77,914	–	77,914
– IT maintenance and support services	**17,025**	**–**	**17,025**	31,623	–	31,623
– Trading of commodities	**–**	**39,252**	**39,252**	–	–	–
	328,693	**39,252**	**367,945**	377,126	–	377,126
Segment (loss)/profit	**(105,042)**	**177**	**(104,865)**	(95,234)	–	(95,234)
Unallocated loss			**(4,128)**			(29,831)
Share of (losses)/profits of associates			**(16)**			1,043
Loss for the year			**(109,009)**			(124,022)
Other segment information						
Depreciation of property, plant and equipment	**8,667**	**–**	**8,667**	12,369	–	12,369
Amortisation of intangible assets	**17,410**	**–**	**17,410**	15,692	–	15,692
Depreciation of right of use assets	**7,104**	**–**	**7,104**	11,725	–	11,725
ECLs on financial and contract assets	**27,269**	**–**	**27,269**	24,397	–	24,397
Impairment loss on property and equipment	**3,100**	**–**	**3,100**	4,756	–	4,756
Impairment loss on intangible assets	**12,000**	**–**	**12,000**	15,491	–	15,491
Impairment loss on right-of-use assets	**2,700**	**–**	**2,700**	3,753	–	3,753
Finance income	**123**	**4**	**127**	40	–	40
Finance costs	**(7,711)**	**–**	**(7,711)**	(8,065)	–	(8,065)
Income tax (credit)/expense	**(2,180)**	**10**	**(2,170)**	(5,487)	–	(5,487)
Additions to non-current assets	**26,535**	**–**	**26,535**	49,120	–	49,120

	2023			2022		
	Integrated data technology services RMB'000	Trading of commodities RMB'000	Total RMB'000	Integrated data technology services RMB'000	Trading of commodities RMB'000	Total RMB'000
As at 31 December						
Segment assets	**393,560**	**10,202**	**403,762**	391,425	–	391,425
Unallocated assets			**40,386**			19,458
Total assets			**444,148**			410,883
Segment liabilities	**321,027**	**25**	**321,052**	303,158	–	303,158
Unallocated liabilities			**5,789**			4,212
Total liabilities			**326,841**			307,370

(b)   Revenue from external parties contributing 10% or more of the total revenue of the Group is as follows:

	Year ended 31 December	
	2023 **RMB'000**	2022 RMB'000
Integrated data technology services segment		
Customer A	**44,490**	–
Customer B	**40,799**	–
Customer C	**N/A**#	92,285

The corresponding revenue did not contribute over 10% of the total revenue of the Group.

(c)   The Group's revenue by geographical locations (as determined by the area or country in which the Group operates) is analysed as follows:

	Year ended 31 December	
	2023 **RMB'000**	2022 RMB'000
Mainland China	**367,945**	377,126

All the Group's non-current assets are principally located in Mainland China.

For the Group's provision of data solutions and the sales of hardware and software and related services as an integrated service, contracts are for periods of one year or less. For the Group's IT maintenance and support services, the Group bills the amount for each hour of service provided, therefore, the Group uses "right to invoice" practical expedient to recognise revenue in the amount to which the Group has a right to invoice. As permitted under practical expedient of IFRS 15, the transaction price allocated to these unsatisfied contracts are not disclosed.

4 LOSS BEFORE INCOME TAX

The Group's loss before income tax has been arrived at after charging/(crediting):

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Amortisation of intangible assets	**17,410**	15,692
Depreciation of property and equipment	**8,667**	12,369
Depreciation of right-of-use assets	**7,104**	11,725
Total amortisation and depreciation	**33,181**	39,786
Less: Capitalised in software development costs within intangible assets	**(150)**	(141)
	33,031	39,645
Employee benefit expenses (including directors' emoluments)	**166,220**	267,880
Expenses related to short-term leases	**1,095**	1,610
Auditor's remuneration	**1,701**	1,675
ECLs on trade receivables *(Note 8)*	**14,651**	12,316
ECLs on contract assets *(Note 9)*	**10,539**	12,081
ECLs on other receivables	**2,079**	–
Impairment loss on property and equipment	**3,100**	4,756
Impairment loss on intangible assets	**12,000**	15,491
Impairment loss on right-of-use assets	**2,700**	3,753
Fair value change of financial liabilities at FVTPL	**2,681**	1,981

5 FINANCE COSTS, NET

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Finance income		
− Interest income on bank deposits	**234**	41
Finance costs		
− Interest expense on bank and other borrowings	**(7,128)**	(6,828)
− Finance charges on lease liabilities	**(584)**	(1,255)
	(7,712)	(8,083)
Finance costs, net	**(7,478)**	(8,042)

6 INCOME TAX CREDIT

The amount of income tax (credit)/expense recorded in the consolidated statement of comprehensive income represents:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Current income tax		
− Hong Kong profits tax	**−**	−
− The People Republic of China ("**PRC**") enterprise income tax	**10**	405
Over-provision in prior years		
− Hong Kong profits tax	**(1,582)**	−
− PRC enterprise income tax	**−**	(18)
Deferred income tax		
− Current year	**(598)**	(5,627)
− Attributable to change in tax rate	**−**	(247)
Income tax credit	**(2,170)**	(5,487)

(i) Hong Kong profits tax

Subsidiaries established in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% during the year ended 31 December 2023 (2022: 16.5%).

(ii) PRC enterprise income tax

Shenzhen Suoxinda Data Technology Co., Ltd. ("**Suoxinda Shenzhen**"), Suoxinda (Beijing) Data Technology Co., Ltd. ("**Suoxinda Beijing**") and Shenzhen Yinxing Intelligent Data Co., Ltd. ("**Shenzhen Yinxing**") were recognised by relevant Mainland China authorities as National High and New Technological Enterprise ("**NHNTE**") and were entitled to a preferential enterprise income tax rate of 15% from 2020 to 2023, from 2021 to 2024 and from 2022 to 2025, respectively.

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rates applicable to losses of the entities under the Group as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Loss before income tax	**(111,179)**	(129,509)
Less: share of losses/(profits) of associates, net of tax	**16**	(1,043)
Loss before income tax before share of losses/(profits) of associates	**(111,163)**	(130,552)
Tax calculated at domestic tax rates applicable to losses of the respective companies	**(18,559)**	(22,831)
Expenses not deductible for tax purposes	**8,261**	9,191
Over-provision in prior years	**(1,582)**	(18)
Super deduction for research and development expenses *(Note i)*	**(4,127)**	(4,890)
Tax losses for which no deferred tax was recognised	**13,837**	13,577
Utilisation of tax losses previously not recognised	**–**	(269)
Decrease in opening deferred tax assets/liabilities resulting from decrease in applicable tax rate	**–**	(247)
Income tax credit	**(2,170)**	(5,487)

Note:

(i)   Super deduction for research and development expenses

According to the relevant laws and regulations promulgated by the State Tax Bureau of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim up to 200% (2022: 175%-200%) of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("**Super Deduction**"). 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 years ended 31 December 2022 and 2023.

7   LOSS PER SHARE

	Year ended 31 December	
	2023	2022
Loss attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share *(RMB'000)*	**(109,233)**	(128,192)
Weighted average number of ordinary shares in issue for the purpose of calculating basic and diluted earnings per share *(Number of shares in thousand)*	**580,108**	414,832
Basic and diluted loss per share *(RMB cents)*	**(18.8)**	(30.9)

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares issued during the respective periods and shares granted under share award scheme on 28 December 2021 and 8 April 2022.

Diluted loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding to assume the issue of all dilutive potential ordinary shares. Potential ordinary shares are dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share. Weighted average number of ordinary shares for the purpose of calculating diluted loss per share does not adjust for the effects of share awards, share options and convertible loans because (i) the exercise price of those share options is higher than the average market prices of the Company's shares; and (ii) the impacts of the shares to be issued under share awards scheme and convertible loans have anti-dilutive effects on the basic loss per share amounts presented.

8   TRADE AND BILL RECEIVABLES

Trade and bill receivables analysis is as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**165,018**	129,982
Less: allowance for expected credit losses	**(62,308)**	(47,660)
Trade receivables, net	**102,710**	82,322
Bill receivables	**1,578**	–
Less: allowance for expected credit losses	**(3)**	–
Bill receivables, net	**1,575**	–
Total trade and bill receivables, net	**104,285**	82,322

The carrying amounts of trade and bill receivables approximate their fair values at each reporting date and are denominated in the following currencies:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
RMB	**103,956**	82,008
USD	**329**	314
	104,285	82,322

The Group allows a credit period of up to 60 days to its customers.

Bill receivable represent the unconditional order in writing issued by a customer of the Group for completed sales which entitle the Group to collect a sum of money from the customer. The bill is non-interest bearing and has a maturity of six months.

As at 31 December 2023, trade receivables outstanding from certain specific customers of the Group of approximately RMB12,795,000 have been pledged to certain bank borrowings of the Group (2022: approximately RMB36,323,000) (Note 11(a)).

Movements on the Group's allowance for expected credit losses on trade and bill receivables are as follows:

	2023	2022
	RMB'000	RMB'000
At the beginning of the year	**(47,660)**	(35,344)
Increase in expected credit losses	**(14,651)**	(12,316)
At the end of the year	**(62,311)**	(47,660)

(a)   The aging analysis of gross trade and bill receivables based on invoice date is as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Up to 3 months	**95,467**	64,881
3 to 6 months	**2,082**	685
6 months to 1 year	**9,073**	4,768
Over 1 year	**59,974**	59,648
	166,596	129,982

(b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and bill receivables. To measure the expected credit losses, trade and bill receivables have been assessed based on credit risk characteristics of the customers with reference to a wide range of factors such as default rates of customers, aging profile of overdue balances, the repayment and default histories of different customers, on-going business relationship with the relevant customers and forward-looking information that affecting the customers' ability to repay the outstanding balances. Financial assets are written off when there is no reasonable expectation of recovery.

The allowance for expected credit losses on trade and bill receivables as of 31 December 2022 and 2023 are determined as follows:

	Current	Up to 3 months past due	3 to 6 months past due	6 to 12 months past due	Over 12 months past due	Total
31 December 2022:						
Weighted average expected loss rate	2%	5%	17%	66%	77%	
Gross carrying amount *(RMB in thousand)*	43,133	22,011	3,200	21,072	40,566	129,982
Allowance for expected credit losses *(RMB in thousand)*	720	1,107	531	13,883	31,419	47,660
31 December 2023:						
Weighted average expected loss rate	**5%**	**2%**	**14%**	**10%**	**95%**	
Gross carrying amount *(RMB in thousand)*	**80,852**	**15,010**	**5,244**	**6,208**	**59,282**	**166,596**
Allowance for expected credit losses *(RMB in thousand)*	**4,296**	**345**	**713**	**608**	**56,349**	**62,311**

Weighted average expected credit losses rates were determined based on the cash collection performance for customers with respect to the credit terms granted to each customer and also taking into account the forward-looking information. The cash collection patterns are affected by a number of factors including but not limited to the change in customer portfolios of the Group, the effort of cash collection from the customers, the timing of settlement processes by customers of the Group etc.

9   CONTRACT ASSETS/(LIABILITIES)

Contract assets/(liabilities) analysis is as follows:

	As at 31 December 2023 RMB'000	As at 31 December 2022 RMB'000	As at 1 January 2022 RMB'000
Contract assets	**104,779**	147,378	142,002
Less: allowance for expected credit losses	**(33,077)**	(22,538)	(10,457)
	71,702	124,840	131,545
Contract liabilities	**(997)**	(1,907)	(24,904)

Movements on the Group's allowance for expected credit losses on contact assets are as follows:

	2023 **RMB'000**	2022 RMB'000
At the beginning of the year	**(22,538)**	(10,457)
Increase in expected credit losses	**(10,539)**	(12,081)
At the end of the year	**(33,077)**	(22,538)

The contract assets are primarily related to the Group's rights to consideration for work completed and not billed because the rights are conditional on the Group's future performance in achieving specified milestones at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically reclassifies contract assets to trade receivables on the date of acceptance reports issued by the customers when such right of collections becomes unconditional other than the passage of time.

The contract assets relate to unbilled work in progress. Except for several customers with contract assets amounted to RMB32,095,000 (2022: RMB18,932,000) has been fully provided in view of increase in credit risk, the remaining balances substantially have the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The allowance for expected credit losses on contract assets as of 31 December 2022 and 2023 are determined as follows:

	Current	Increase in credit risk	Total
31 December 2022:			
Weighted average expected loss rate	3%	100%	
Gross carrying amount *(RMB in thousand)*	128,446	18,932	147,378
Allowance for expected credit losses *(RMB in thousand)*	3,606	18,932	22,538
31 December 2023:			
Weighted average expected loss rate	**1%**	**100%**	
Gross carrying amount *(RMB in thousand)*	**72,684**	**32,095**	**104,779**
Allowance for expected credit losses *(RMB in thousand)*	**982**	**32,095**	**33,077**

The following table shows the revenue recognised during the year ended 31 December 2022 and 2023 related to carried-forward contract liabilities:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liabilities balance as at beginning of the year	**1,907**	24,904

10 TRADE PAYABLES

Trade payables analysis is as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade payables	**91,594**	74,320

The aging analysis of the trade payables based on invoice dates is as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
0 to 30 days	**67,256**	38,091
31 to 60 days	**5,075**	8,849
61 to 90 days	**3,961**	1,517
Over 90 days	**15,302**	25,863
	91,594	74,320

The carrying amounts of the trade payables approximate their fair values as at 31 December 2022 and 2023. The trade payables are denominated in the following currencies:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
RMB	**91,573**	70,094
USD	**21**	4,226
	91,594	74,320

11 BANK AND OTHER BORROWINGS

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Non-current		
Bank borrowings *(Note (a))*	**10,000**	–
Other borrowings *(Note (b))*	**–**	2,461
	10,000	2,461
Current		
Bank borrowings *(Note (a))*	**64,728**	73,594
Other borrowings *(Note (b))*	**101,464**	5,536
	166,192	79,130
Total	**176,192**	81,591

(a) Bank borrowings

The bank loans due for repayment, based on the scheduled repayment dates set out in the loan agreements, are as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Within one year	**64,728**	73,594
One to two years	**–**	–
Two to five years	**10,000**	–
	74,728	73,594
Less: portion classified as current liabilities	**(64,728)**	(73,594)
Portion classified as non-current liabilities	**10,000**	–

The carrying amounts of the bank borrowings approximate their fair values and are denominated in RMB.

The weighted average interest rate is approximately 4.2% per annum for the year ended 31 December 2023 (2022: approximately 5.9%).

As at 31 December 2023, the Group had aggregate banking facilities of RMB100,000,000 (2022: RMB82,000,000). Unused facilities as at the same date amounted to approximately RMB25,272,000 (2022: RMB16,570,000). The Group's banking facilities are secured and/or guaranteed by:

(i)   corporate guarantee from independent third parties of RMB5,000,000 as at 31 December 2023 (2022: RMB14,850,000);

(ii)   building of the Group of RMB Nil as at 31 December 2023 (2022: approximately RMB10,128,000);

(iii)   pledged bank deposits of approximately RMB1,005,000 held at bank as at 31 December 2023 (2022: approximately RMB221,000);

(iv)   trade receivables outstanding from certain specific customers of the Group of approximately RMB12,795,000 as at 31 December 2023 (2022: approximately RMB36,323,000) (Note 8);

(v)   other deposits of the Group of RMB Nil as at 31 December 2023 (2022: RMB1,000,000);

(vi)   property owned by a director of the Company (2022: Nil); and

(vii)   Personal guarantees from Mr. Xue Shouguang ("**Mr. Xue**"), Mr. Chen Zhenping ("**Mr. Chen**"), and a legal representative of a subsidiary (2022: Mr. Song Hongtao (a precedent director of the Company), Mr. Wu Xiaohua ("**Mr. Wu**") and their spouses and a director of a subsidiary).

(b)   Other borrowings

The loan due for repayment, based on the scheduled repayment dates set out in the loan agreements, is as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
On demand	**20,000**	–
Within one year	**81,464**	5,536
One to two years	**–**	2,461
	101,464	7,997
Less: portion classified as current liabilities	**(101,464)**	(5,536)
Portion classified as non-current liabilities	**–**	2,461

In June 2022, the Group entered into a sale and leaseback agreement with an independent third party to obtain a loan at a principal amount of RMB11,000,000. The loan bear interest at 9.2% per annum and is repayable in equal monthly instalments by 2024.

In August and October 2023, the Group entered into certain loans agreements with two independent third parties to obtain loans at principal amounts of RMB20,000,000 and RMB59,000,000 respectively. The loans are unsecured, bears interest at 6% per annum and repayable by February 2024.

At 31 December 2023, the convertible loans of Suoxinda (Beijing) Data Technology Co., Ltd. ("**Suoxinda (Beijing)**"), an indirect wholly owned subsidiary of the Company, were on demand for repayment as the investor decided not to exercise the conversion option and redeemed the outstanding loans at their principal amounts of RMB20,000,000. Therefore, the outstanding loans of RMB20,000,000 were reclassified from financial liabilities at FVTPL to other borrowings. Up to the date of approval for issuance of the consolidated financial statements, the Group is still in the progress of negotiations with the investor for a possible resolution on repayment plan.

The Group's other borrowings are secured by:

(i)   certain equipment of the Group of approximately RMB7,815,000 as at 31 December 2023 (2022: approximately RMB18,445,000); and

(ii)   other deposits of the Group of RMB1,000,000 as at 31 December 2023 (2022: RMB1,000,000).

The carrying amounts of bank and other borrowings approximate their fair values as at 31 December 2022 and 2023.

12   DIVIDENDS

No dividends had been paid or declared by the Company during the year ended 31 December 2023 (2022: Nil).

FINANCIAL REVIEW

1   Revenue

	For the year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Revenue		
– Data solutions	**167,015**	267,589
– Sales of hardware and software and related services as an integrated service	**144,653**	77,914
– Information technology (IT) maintenance and support services	**17,025**	31,623
– Trading of commodities	**39,252**	–
	367,945	377,126

Revenue for the Reporting Period amounted to approximately RMB367,945,000, representing a decrease of approximately 2.4% or approximately RMB9,181,000 as compared with that of 2022. During the Reporting Period, the Group strategically adjusted its business direction and widened its new tracks, focusing on nationalized information technology construction, IT industry, data platform, AI big model, smart city construction and data financial engineering, aiming to provide end-to-end all-round solutions for data infrastructure, data storage, data processing, data use and analysis, data intelligence precision marketing for government and enterprise, banks, insurance, securities, energy, healthcare and other industries. As a result, the composition of revenue during the Reporting Period mainly changed as follows: (1) the Group expanded its sales of hardware and software and related services as an integrated service, resulting in an increase of revenue by approximately 85.7% or approximately RMB66,739,000 during the Reporting Period; For example, during the Reporting Period, the Group collaborated with a municipal state-owned big data company of a certain city and a leading provider of information technology infrastructure products in China to provide major national banks and other customers with a full range of solutions to promote the development and application of data assets in the financial sector, the construction of data platforms, the construction of smart cities, the innovative development of information technology applications and the building of localized information technology; (2) due to the impact of the macroeconomic and the increasing maturity of the information systems of large financial institutions, there was a tightening of IT and marketing budgets, resulting in a decrease of approximately 37.6% or approximately RMB100,574,000 in revenue from data solutions business, and a decrease of approximately 46.2% or approximately RMB14,598,000 in revenue from IT maintenance and support services; (3) the Group expanded into new business models, diversified its development through multiple directions and channels, and added a new commodities trading business during the Reporting Period, with related revenue of approximately RMB39,252,000, offsetting part of the decrease in revenue.

2   Gross profit and gross profit margin

Gross profit for the Reporting Period amounted to approximately RMB47,127,000, representing a decrease of approximately 47.2% as compared with 2022. The decrease in gross profit was mainly due to the structural adjustment in the revenue composition in 2023, with an increased proportion of comprehensive services involving sales of hardware and software and related services which has a lower gross profit margin than data solutions business, resulting in the decrease in gross profit during the Reporting Period.

Gross profit margin for the Reporting Period was approximately 12.8%, representing a decrease of approximately 10.9% as compared with 2022 (2022: approximately 23.7%). The decrease in gross profit margin was mainly due to lower gross profit from the sales of hardware and software and related services as an integrated service which carries higher proportion of revenue.

3 Selling expenses

For the Reporting Period, we recorded selling expenses of approximately RMB19,584,000, representing a decrease of approximately 21.1% or approximately RMB5,238,000 as compared with 2022. Selling expenses accounted for approximately 5.3% of our revenue for the year (2022: approximately 6.6%). The decrease in selling expenses was mainly due to the optimisation of the sales and pre-sales team, resulting in a decrease in related staff costs of approximately 26.6% or approximately RMB4,893,000 as compared with 2022.

4 Research and development expenses

During the Reporting Period, we recorded R&D expenses of approximately RMB33,238,000, representing a decrease of approximately 16% or approximately RMB6,342,000 as compared with 2022 and accounting for approximately 9.0% of the revenue for the Reporting Period (2022: approximately 10.5%). The decrease in R&D expenses was mainly due to: (1) as our Group's products developed previously had become increasingly mature and the focus was shifted to the promotion and application of the products to achieve continuous refinement during the application process, resulting in a decrease in staff costs for the R&D team of approximately 28.8% or approximately RMB7,024,000 as compared with 2022; and (2) depreciation and amortisation increased by approximately 18.0% or approximately RMB1,879,000 as compared with 2022, partially offsetting the decrease.

5 Administrative expenses

During the Reporting Period, we recorded administrative expenses of approximately RMB55,597,000, representing an decrease of approximately 44.2% or approximately RMB44,009,000 as compared with 2022. The decrease in administrative expenses was mainly due to: (1) the decrease in expenses related to share-based payments of approximately 113.2% or approximately RMB23,237,000 arising from the previous grant of share options and awarded shares as compared with 2022; (2) the optimisation of the administrative management team, resulting in a decrease in related staff costs of approximately 29.7% or approximately RMB11,450,000 as compared with 2022; (3) the decrease in legal and professional service fees of approximately 52.1% or approximately RMB4,716,000 as compared with 2022; and (4) a decrease in depreciation of office premise rental right-of-use assets of approximately 56.2% or approximately RMB4,668,000 as compared with 2022.

6   Income tax expenses

During the Reporting Period, we recorded income tax credit of approximately RMB2,170,000 (2022: tax credit of approximately RMB5,487,000). Such change was mainly due to the decrease in deferred tax credit recognised for decelerated tax depreciation and expected credit losses in financial and contract assets.

7   Net loss for the year

Net loss for the Reporting Period amounted to approximately RMB109,009,000, representing a decrease of approximately 12.1% as compared with 2022 (2022: net loss of approximately RMB124,022,000) with a decrease of loss margin year-on-year.

The loss for the Reporting Period was mainly due to:

1)   impacted by the macro-economy, IT business adjustment of large financial institutions and tightening of marketing budgets;

2)   the adjustment in revenue structure in 2023 and increase in proportion of sales of hardware and software and related services as an integrated service with lower gross profit;

3)   provision for impairment of financial and contract assets of our Group of approximately RMB27,269,000 based on prudent consideration;

4)   impairment of fixed assets, intangible assets and right-of-use assets of approximately RMB17,800,000 due to business strategy adjustment; and

5)   finance costs of approximately RMB7,712,000.

8   Loss for the year attributable to owners of our Company

For the Reporting Period, loss for the year attributable to owners of our Company was approximately RMB109,233,000 (2022: loss attributable to owners of our Company of approximately RMB128,192,000). Such change was mainly due to the decrease in the net loss for the Reporting Period as mentioned above.

9   Loss per share

Basic and diluted loss per share of our Company for the Reporting Period amounted to approximately RMB18.8 cents. Basic and diluted loss per share for 2022 amounted to approximately RMB30.9 cents.

10　Liquidity and financial resources: Summary of cash flow and notes

	For the year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Net cash inflow/(outflow) from operating activities	**(38,369)**	(21,306)
Net cash inflow/(outflow) from investing activities	**(8,740)**	(51,797)
Net cash inflow/(outflow) from financing activities	**147,646**	65,273

The balance of our Group's cash and cash equivalents as at 31 December 2023 was approximately RMB113,257,000, representing an increase of approximately RMB98,146,000 as compared with the balance of cash and cash equivalents as at 31 December 2022.

A　*Operating activities*

The net cash used in operating activities of our Group during the Reporting Period amounted to approximately RMB38,369,000, representing an increase of approximately RMB17,063,000 as compared with the amount of net cash used in operating activities in 2022, mainly due to the decrease in gross profit during the Reporting Period.

B　*Investing activities*

The net cash used in investing activities of our Group for the Reporting Period was approximately RMB8,740,000, representing a decrease of approximately RMB43,057,000 as compared with the net cash used in investing activities in 2022, mainly due to (1) purchase of intangible assets of RMB15,068,000, representing a decrease of approximately 62.8% or approximately RMB25,473,000 as compared to 2022; and (2) repayments of advances to associates of RMB6,130,000, representing a decrease of 167.1% or approximately RMB15,260,000 as compared to 2022.

C　*Financing activities*

The net cash generated from financing activities of our Group for the Reporting Period was approximately RMB147,646,000. The major channels for the cash generated from financing activities were mainly: (1) the financing by the issuance of shares; (2) the Group obtaining financing from banks and other financial institutions; (3) amount generated from other borrowings.

D　*Capital expenditure*

Our Group did not incur capital expenditure during the Reporting Period.

11 Capital structure

Bank and other borrowings

As at 31 December 2023, our short-term bank borrowings were approximately RMB74,728,000, other borrowings were approximately RMB101,464,000.

Debt securities

As at 31 December 2023, the Group did not have any debt securities.

Contingent liabilities

As at 31 December 2023, our Group had no major contingent liabilities or guarantees.

Treasury policy

Our Group has adopted a prudent financial management approach for our treasury policy. The Board closely monitors our Group's liquidity position to ensure that the liquidity structure of our assets, liabilities, and other commitments can meet our funding needs all the time.

Gearing ratio

The gearing ratio of our Group as at 31 December 2023 was approximately 150.2% (2022: approximately 143.6%). The increase in gearing ratio was mainly due to an increase in bank and other borrowings of approximately RMB94,601,000 as compared with 2022. The gearing ratio is calculated by dividing the sum of bank and other borrowings, convertible borrowings and amounts due to Directors by our total equity as at the end of the Reporting Period.

12 Pledge of assets

As at 31 December 2023, our Group's bank borrowings were secured and/or guaranteed by:

(i)   corporate guarantee from independent third parties of RMB5,000,000 as at 31 December 2023 (2022: RMB14,850,000);

(ii) building of the Group of approximately RMB Nil as at 31 December 2023 (2022: approximately RMB10,128,000);

(iii) pledged bank deposits of approximately RMB1,005,000 held at bank as at 31 December 2023 (2022: approximately RMB221,000);

(iv) trade receivables outstanding from certain specific customers of the Group of approximately RMB12,795,000 as at 31 December 2023 (2022: approximately RMB36,323,000);

(v) other deposits of the Group of RMB Nil as at 31 December 2023 (2022: RMB1,000,000);

(vi) property owned by a director of the Company (2022: Nil); and

(vii) Personal guarantees from Mr. Xue Shouguang ("**Mr. Xue**"), Mr. Chen Zhenping ("**Mr. Chen**"),and a legal representative of a subsidiary (2022: Mr. Song Hongtao (a precedent director of the Company), Mr. Wu Xiaohua ("**Mr. Wu**") and their spouses and a director of a subsidiary).

As at 31 December 2023, the Group's other borrowings are secured by:

(i) certain equipment of the Group of approximately RMB7,815,000 as at 31 December 2023 (2022: approximately RMB18,445,000); and

(ii) other deposits of the Group of RMB1,000,000 as at 31 December 2023 (2022: RMB1,000,000).

13 Capital commitments

As at 31 December 2023, our Group had no capital commitments.

14 Material acquisitions and disposals of subsidiaries, associated companies and joint ventures and significant investment

During the Reporting Period, as a result of strategic adjustments, the Group and two other shareholders of Shenzhen Shuxi Technology Co., Ltd. (深圳數希科技有限公司) ("**Shuxi Technology**") agreed to deregister Shuxi Technology, the Company's associated company. Prior to the deregistration, the Group held a 30% equity interest in Shuxi Technology.

On the other hand, during the Reporting Period, the Group also disposed 30% equity interest in Suoxinda (Shenzhen) Software Technology Co., Ltd. ("**Suoxinda Software**"), the Company's associated company. Prior to the disposal, the Group held 30% equity interest in Suoxinda Software.

Other than disclosed above, during the Reporting Period, the Group did not hold any significant investment, or had any other acquisitions and disposals of subsidiaries, associated companies and joint ventures.

15   Foreign exchange risk

As the majority of the Group's business transactions, assets and liabilities are denominated primarily in the functional currencies of our Group's entities, the Group is exposed to certain foreign currency risks. Our Group implemented effective management policies to closely monitor changes in foreign exchange rates and regularly review foreign exchange risks. Our Group will consider hedging significant foreign currency risk when necessary.

16   Future plans for material investments or capital assets

Our Group currently has no other plans for material investments or capital assets.

OTHER INFORMATION

Remuneration policy and employment benefits

The Group had 507 employees altogether in the PRC and Hong Kong as at 31 December 2023. The Group offers a comprehensive and competitive remuneration, retirement scheme and benefit package to its employees. Discretionary bonus is offered to the Group's staff depending on their performance. The Group is required to make contribution to a social insurance scheme in the PRC.

The Directors and senior management of the Group receive compensation in the form of salaries, contributions to pension schemes and other allowances and benefits in kind subject to applicable laws, rules, and regulations. The primary goal of the remuneration policy regarding the remuneration packages of the executive Directors is to enable the Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved.

The Group has not experienced any significant problems with its employees or disruption to the Group's operations due to labour disputes, nor have experienced any difficulties in the recruitment and retention of experienced staff.

Purchase, Sale or Redemption of our Company's Listed Securities

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Compliance with the Corporate Governance Code

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices. During the Reporting Period and up to the date of this results announcement, the Company has complied with the CG Code, except for the code provision C.2.1 of part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following Mr. Xue Shouguang's appointment as an executive Director, the Chairman of the Board and the Chief Executive Officer on 18 July 2023, he has been assuming the dual roles of the Chairman and the Chief Executive Officer. The Board believes that having the same individual in both roles as the Chairman and the Chief Executive Officer will ensure that the Company has consistent leadership and the ability to make and implement the overall strategy of the Company effectively. The Board believes that this structure does not compromise the balance of power and authority between the Board and the management of the Company. The Board will regularly review the effectiveness of this structure to ensure that it is appropriate to the Company's circumstances.

Following the re-designation of Mr. Fei Xiang from an independent non-executive Director to an executive Director on 8 January 2024, the Company did not meet the requirements of (i) having at least three independent non-executive Directors on the Board; (ii) having independent non-executive Directors representing at least one-third of the Board; and (iii) having at least three members in the Audit Committee under Rules 3.10(1), 3.10A, and 3.21 of the Listing Rules, respectively. On 14 March 2024, following the appointments of Dr. Jin Yong and Dr. Tian Yu as independent non-executive Directors and members of the Audit Committee, the Company has re-complied with the said Listing Rules requirements.

Compliance with the Model Code for Securities Transactions by Directors (the "Model Code")

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' dealing in the Company's securities.

Having made specific enquiry to all the Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

The Company has also adopted the Model Code as the standard of dealings in the Company's securities by the relevant employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Model Code by the employees was noted by the Company during the Reporting Period.

Audit Committee

The Company's the Audit Committee comprises the existing independent non-executive Directors, namely Mr. Yang Haifeng, Dr. Jin Yong and Dr. Tian Yu. The Audit Committee has reviewed the annual results and the audited consolidated financial statements of the Group for the Reporting Period. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the auditors of the Company. Based on this review and discussions with the management and the auditors, the Audit Committee was satisfied that the Group's audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the Reporting Period.

Scope of work of ZHONGHUI ANDA CPA Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

Use of Net Proceeds from the Share Offer

The Shares of the Company were listed on the Stock Exchange on 13 December 2019 (the "**Listing Date**") by way of share offer (the "**Share Offer**"). The Company offered 100,000,000 Shares at an offer price of HK$1.50 per Share. According to the Company's annual report for the year ended 31 December 2019 (the "**2019 Annual Report**"), the actual net proceeds of the Share Offer was approximately HKD104.0 million after deduction of listing expenses (the "**Net Proceeds**").

Set out below is the status of the use of Net Proceeds from the Share Offer:

	Allocation percentage *% of Net Proceeds*	Allocation of the Net Proceeds *(HK$ million)*	Utilised Net Proceeds as at 31 December 2023 *(HK$ million)*	Unutilised Net Proceeds as at 31 December 2023 *(HK$ million)*
Strengthening and expansion of our data solution offerings through continuously attracting and retaining high-quality personnel and offering attractive compensation packages to retain our employees	20%	20.8	20.8	–
Enhancement of our sales and marketing efforts including corporate branding activities *(Note)*	20%	20.8	20.8	–
Development of the financial AI laboratory, the display centre and office facilities of the Haina Property in Shenzhen *(Note)*	35%	36.4	36.2	0.2
Potential strategic acquisition to supplement our organic growth	6.35%	6.6	6.6	–
Working capital and other general corporate purposes	18.65%	19.4	19.4	–
Total	100%	104.0	103.8	0.2

Note: As disclosed in the announcements of the Company dated 2 December 2020 and 24 December 2021, the Company originally intended to apply approximately 35.0% of the Net Proceeds from the Share Offer, or approximately HK$36.4 million for the development of the financial AI laboratory, the display centre and office facilities of the Haina Property (as defined in the 2019 Annual Report) in Shenzhen. However, as one of the conditions precedent for the completion of acquisition of the Haina Property (as defined in the 2019 Annual Report) could not be fulfilled, the Company terminated the acquisition of the Haina Property (as defined in the 2019 Annual Report) with the relevant seller on 2 December 2020. As a result, the Board intend to apply the unutilised Net Proceeds for such purpose to search for new locations for the development of the Group's financial AI laboratory, display centre and office facilities. The Board has also subsequently resolved to extend the timetable for using all the unutilised Net Proceeds to on or before 31 December 2022 for the Group's long term business development and better utilisation of the unutilised Net Proceeds. As additional time is needed for searching suitable locations, the Board has further resolved to extend the timetable for using the remaining proceeds of approximately HK$3.5 million for development of the financial AI laboratory, the display centre and office facilities to by 31 August 2023, which was further extended to by 31 March 2024.

As at the date of this results announcement, all the Net Proceeds have been fully utilised according to the intentions mentioned above.

Dividend

At the Board meeting on 23 March 2024, the Board does not recommend payment of any final dividend for the Reporting Period. The Company is not aware of any arrangements under which a shareholder of the Company (the "**Shareholder(s)**") has waived or agreed to waive any dividends.

Sufficient public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at 22 March 2024, the latest trading date prior to the publication of this results announcement, the Company has maintained a sufficient public float for the issued Shares (i.e. at least 25% of the issued Shares being held by the public) as required under the Listing Rules.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no important events affecting the Group that have occurred after 31 December 2023 and up to the date of this results announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of our Company (www.datamargin.com). The annual report of our Company will be published on the aforesaid websites of the Stock Exchange and our Company and will be dispatched to our Shareholders in due course.

APPRECIATION

On behalf of our Board, I would like to take this opportunity to express our appreciation to the management team and staff of our Group for their contribution during the Reporting Period and also to extend my sincere gratitude to all our shareholders and business partners for their continuous support.

By Order of the Board
Ruihe Data Technology Holdings Limited
Xue Shouguang
Chairman of the Board

Hong Kong, 24 March 2024

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Xue Shouguang, Ms. Zhao Yiqing and Mr. Fei Xiang, three non-executive Directors, namely, Dr. Wu Fu-Shea, Mr. Wu Xiaohua and Mr. Chen Zhenping, and three independent non-executive Directors, namely, Mr. Yang Haifeng, Dr. Jin Yong and Dr. Tian Yu.