KEYTOP

KEYTOP PARKING INC.

廈門科拓通訊技術股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 2272

GLOBAL OFFERING

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CICC 中金公司　民銀資本 CMBC CAPITAL HOLDINGS LIMITED

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

國投證券國際 SDICSI　SKYVAST SECURITIES 天澤證券

Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

CMBI 招銀国际

Joint Bookrunners and Joint Lead Managers

富途證券 FUTU Securities International　申萬宏源香港 SWHYHK　建银国际 CCB International

SOMERLEY CAPITAL 新百利融資　華福國際 HUAFU INTERNATIONAL　越秀証券 YUE XIU SECURITIES　元宇宙(國際)證券　天風國際 TF INTERNATIONAL

Joint Lead Managers

百惠金控 PATRONS　新工金控

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

KEYTOP PARKING INC.
廈門科拓通訊技術股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

GLOBAL OFFERING

Total number of Offer Shares under the Global Offering	**:**	**10,112,280 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**1,011,240 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**9,101,040 H Shares (subject to reallocation and the Over-allotment Option)**
Offer Price	**:**	**HK$39.55 per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
Stock code	**:**	**2272**

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

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Joint Lead Managers

百惠金控 PATRONS 新工金控 NEW INDUSTRIAL

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any of the other documents referred to above.

The Offer Price will be HK$39.55 per H Share, unless otherwise announced. Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the Offer Price of HK$39.55 for each Hong Kong Offer Share together with a brokerage of 1.0%, a SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and a Stock Exchange trading fee of 0.00565%.

The Sponsor-OCs (for itself and on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the Offer Price below that is stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. For further information, see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Pursuant to the termination provisions contained in the Hong Kong Underwriting Agreement in respect of the Hong Kong Offer Shares, the Overall Coordinators on behalf of the Hong Kong Underwriters, have the right in certain circumstances, in their absolute discretion, to terminate the obligation of the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement at any time prior to 8:00 a.m. on the Listing Date. Further details of the terms of the termination provisions are set out in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination." It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered, sold, pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Offer Shares are being offered and sold outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.keytop.com.cn.

If you require a printed copy of this prospectus, you may download and print from the website addresses above.

June 17, 2026

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

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This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at www.keytop.com.cn. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

(a) apply online through the **HK eIPO White Form** service at **www.hkeipo.hk**; or

(b) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be for a minimum of 60 Hong Kong Offer Shares and in one of the numbers set out in the table below. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the **HKSCC EIPO** channel, you are required to prefund your application based on the amount specified by your **broker** or **custodian**, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
60	2,396.92	1,200	47,938.63	10,500	419,463.04	135,000	5,393,096.34
120	4,793.87	1,500	59,923.29	12,000	479,386.33	150,000	5,992,329.27
180	7,190.79	1,800	71,907.95	13,500	539,309.64	300,000	11,984,658.53
240	9,587.73	2,100	83,892.60	15,000	599,232.93	450,000	17,976,987.79
300	11,984.66	2,400	95,877.26	30,000	1,198,465.86	505,620(1)	20,198,943.49
360	14,381.58	2,700	107,861.92	45,000	1,797,698.78		
420	16,778.52	3,000	119,846.58	60,000	2,396,931.70		
480	19,175.45	4,500	179,769.89	75,000	2,996,164.63		
540	21,572.39	6,000	239,693.18	90,000	3,595,397.56		
600	23,969.32	7,500	299,616.46	105,000	4,194,630.48		
900	35,953.97	9,000	359,539.75	120,000	4,793,863.41		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

*If there is any change in the following expected timetable[1] of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the websites of our Company at **www.keytop.com.cn** and the Stock Exchange at **www.hkexnews.hk**.*

Hong Kong Public Offering commences . . . . 9:00 a.m. on Wednesday, June 17, 2026

Latest time to complete electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2] . . . . 11:30 a.m. on Tuesday, June 23, 2026

Application lists open[3] . . . . 11:45 a.m. on Tuesday, June 23, 2026

Latest time to (a) complete payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) give **electronic application instructions** to HKSCC[4] . . . . 12:00 noon on Tuesday, June 23, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you are advised to contact your **broker** or **custodian** for the earliest and latest time for giving such instructions which may be different from the latest time as stated above, as this may vary by **broker** or **custodian**.

Application lists close[3] . . . . 12:00 noon on Tuesday, June 23, 2026

Announcement of the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published on the websites of our Company at **www.keytop.com.cn**[5] and the Stock Exchange at **www.hkexnews.hk** no later than . . . . 11:00 p.m. on Thursday, June 25, 2026

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on the websites of our Company at **www.keytop.com.cn**[5] and the Stock Exchange at **www.hkexnews.hk** no later than . . . . 11:00 p.m. on Thursday, June 25, 2026

- from the "Allotment Results" page on the designated results of allocations website at **www.tricor.com.hk/ipo/result** or **www.hkeipo.hk/IPOResult** with a "search by ID" function from . . . . 11:00 p.m. on Thursday, June 25, 2026 to 12:00 midnight on Wednesday, July 1, 2026

- from the allocation results telephone inquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from . . . . . Friday, June 26, 2026 to Thursday, July 2, 2026 (excluding Saturday, Sunday and public holiday in Hong Kong)

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before(6)(8) . . . . . Thursday, June 25, 2026

HK eIPO White Form e-Auto Refund payment instructions/refund checks in respect of wholly or partially successful applications (if applicable) or unsuccessful applications to be dispatched on or before(7)(8) . . . . . Friday, June 26, 2026

Dealings in the H Shares on the Stock Exchange expected to commence at . . . . . 9:00 a.m. on Friday, June 26, 2026

Notes:

(1) All times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, June 23, 2026, the application lists will not open or close on that day. For further details, please see the section headed "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements" in this prospectus.

(4) Applicants who apply for Hong Kong Offer Shares by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** on your behalf to HKSCC via **HKSCC EIPO** channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares" in this prospectus.

(5) None of the websites or any of the information contained on the websites forms part of this prospectus.

(6) H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for termination" in this prospectus has not been exercised. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

(7) **HK eIPO White Form** e-Auto Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering. Part of the applicant's identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before encashment of the refund check. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund check.

(8) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. Applicants being corporations which is eligible for personal collection must attend through their authorized representatives bearing letters of authorization from their corporation stamped with the corporation's chop. Both individuals and authorized representatives of corporations must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of H Share Certificates and Refund of Application Monies" for details.

Applicants who have applied through the **HK eIPO White Form** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **HK eIPO White Form** e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

Any uncollected H Share certificates will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus.

The above expected timetable is a summary only. You should see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus for details of the structure of the Global Offering, including its conditions, and the procedures for application for the Hong Kong Offer Shares.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, we will make an announcement as soon as practicable thereafter.

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under applicable securities laws of such jurisdictions pursuant to registration with, or authorization by, the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. Our Company has not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers, representatives, or affiliates, or any other person or party involved in the Global Offering. Information contained in our website, located at ***www.keytop.com.cn****, does not form part of this prospectus.*

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This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. As this is only a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors." You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this section are defined or explained in "Definitions" and "Glossary of Technical Terms" in this prospectus.

OVERVIEW

We are a smart parking space operator facilitating the transformation of urban parking. Since our inception in 2006, we have evolved into a parking industry group that integrates smart parking systems, smart parking management services and parking facility and platform operations. According to the CIC Report, we rank No. 2 in China's smart parking space operation industry with a market share of 3.3% in terms of relevant revenue in 2024*.

We focus on integrating technologies to connect the three key aspects of urban parking: people, vehicles and parking facilities. Leveraging our extensive industry experience and a broad network of parking facilities and users accumulated through nearly two decades of operation, we are well positioned to address large-scale demand for parking. In doing so, we aim to enhance management capabilities, improve operating efficiency and elevate service standards in urban parking, providing compelling value propositions for parking asset owners and operators on the one hand, and vehicle owners and drivers on the other. We also operates an online parking space rental platform, where owners of parking facilities and individual parking spaces can post their available spaces and vehicle owners and drivers can navigate and rent these spaces on demand, to further improve resource utilization in the parking space operation industry. As long-term rental users of our industry continue to grow rapidly, we believe that we can effectively benefit from the network effects generated by such platform and achieve sustainable growth.

We have constantly led the development of China's smart parking space operation industry through technology and innovation. According to the CIC Report, in 2006, we were the first to introduce parking space availability LED indicators in China, leading the transition from "blind parking" to the digital guidance era. In 2010, we pioneered vehicle search terminals incorporating video recognition technology to resolve the challenges for vehicle owners and drivers to locate their vehicles. In 2012, we were the first in the industry to promote and apply a video-based ticketless parking fee management system, and the first to enable WeChat Pay in 2014. In 2017, we innovated our business model to offer cloud-based remote management of unattended parking facilities. In 2023, we launched our *YongCe Pro (永策Pro)*, the first smart parking operation system in the industry.

Building on our strategic focus on technology and operations, we have developed a business portfolio that encompasses a wide range of products and services covering smart parking systems, smart parking management services and parking facility and platform operations. This enables us to connect different aspects of parking activities and address the diverse needs of parking asset owners and operators as well as vehicle owners and drivers. To date, we have served parking facilities across a wide range of scenarios, including large-scale commercial complexes, office buildings, residential communities, public facilities, hotels, scenic destinations, schools, hospitals and logistics parks. In 2023, 2024 and 2025, we served 22,497, 26,616 and 30,644 parking facilities, respectively.

* China's smart parking space operation industry is relatively fragmented, with the top five players accounting for an aggregate market share of 17.4% in terms of smart parking space operation revenue in 2024. The largest and third largest smart parking space operators in China has a market share of 6.1% and 3.1% in terms of relevant revenue in 2024, respectively.

We experienced steady growth during the Track Record Period. Our smart parking systems, smart parking management services and parking facility and platform operations are applied across a growing number of scenarios and geographical regions globally. We also have seen a notable improvement in our financial performance. Our revenue increased by 8.3% from RMB738.0 million in 2023 to RMB799.5 million in 2024, and further increased by 3.9% to RMB830.6 million in 2025. Such revenue growth during the Track Record Period was primarily driven by the expansion of our parking facility and platform operations business, the revenue from which increased by 28.2% from RMB96.9 million in 2023 to RMB124.2 million in 2024, and further by 40.9% to RMB175.1 million in 2025. We had net profit of RMB87.0 million, RMB86.7 million and RMB93.7 million in 2023, 2024 and 2025, respectively, and adjusted net profit (non-IFRS measure) of RMB89.4 million, RMB91.7 million and RMB121.9 million in the same years, respectively. See "Financial Information — Discussion of Major Profit or Loss Items — Non-IFRS Measure" for a reconciliation of our profit and total comprehensive income for the year to adjusted net profit (non-IFRS measure).

MARKET OPPORTUNITY

Urban parking plays a crucial role in the urban transportation system, and its efficiency and management level have a direct impact on urban traffic flow, resource utilization, and residents' travel experience. The parking sector in China is facing a number of pain points. First, there is a notable mismatch between the supply and demand of parking spaces, which leads to parking difficulties and intensified urban traffic congestion. In addition, the transition to green and low-carbon urban parking facilities is lagging behind, which hinders the overall sustainable development of urban transportation. Furthermore, many parking facilities operate under a traditional, rudimentary model and suffer from low utilization of their parking resources, which limits their ability to grow revenues and profits. As parking facilities increasingly evolve towards larger, more centralized, and more automated models, it is imperative for the urban parking sector to go through transformation, which will facilitate the rapid growth of smart parking space operators. Specifically, parking space operators in China are primarily classified as either smart or traditional operators in terms of business models. Smart parking space operators refer to those who leverage data and AI technologies to provide tailored products and services, while traditional operators typically rely on manual labor teams or integrate outsourced intelligent hardware, software or services. The market size of China's smart parking space operations in terms of revenue is expected to increase from RMB33.6 billion in 2025 to RMB91.9 billion in 2029, representing a CAGR of 28.6%, according to the CIC Report. Smart parking space operators' penetration in the overall parking space operation market in China is also expected to grow rapidly, from 3.9% of the overall market size in 2025 to 7.7% in 2029, according to the same source. See "Industry Overview."

Smart parking space operations primarily encompass smart parking systems, smart parking management services and smart parking asset operations. Currently, most smart parking space operators in China possess the capability to provide only one or two of these core segments. Our diversified business portfolio has positioned us as one of the few integrated smart parking space operators in the industry, according to the CIC Report. This enables us to maximize parking resources, optimize the efficiency of parking facilities, and improve the parking experience for vehicle owners and drivers.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our continued success and set us apart from our competitors:

- a recognized smart parking space operator with decades of innovation track record;
- solid technology capabilities and technology-driven, data-oriented business insights;
- robust commercialization capabilities underpinned by diversified business portfolio and highly flexible and scalable business model; and
- seasoned management team with high-caliber personnel.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business:

- continue to invest in R&D and technologies and expand our talent pool;
- deepen our parking facility and platform operations business and tap into markets with huge market potentials;
- strengthen our marketing network and enlarge our customer base; and
- extend our global outreach and expand our global presence.

BUSINESS AND REVENUE MODEL

Focusing on the field of parking space operations, we have developed a business portfolio that encompasses a wide range of products and services covering smart parking systems, smart parking management services and parking facility and platform operations. According to China Insights Consultancy, our overall classification of the three business lines aligns with the established framework of China's smart parking space operation industry, which primarily comprises smart parking systems, smart parking management services and smart parking asset operations. Our offerings are designed to meet the varied and evolving needs of parking asset owners and operators and the broader parking space operation industry.

- Our smart parking systems business helps parking facility owners and operators construct and upgrade their parking facilities and provide support throughout the process. Specifically, it involves the sales of integrated smart parking systems comprising hardware, cloud-based software systems and user-end applications, as well as related implementation and maintenance services, depending on customer needs and project requirements. Our smart parking systems enable key functions across the parking process for enclosed parking facilities, such as parking fee management, parking space guidance, vehicle search and vehicle charging, and support on-street parking management, pedestrian management and multi-parking facility management. We offer smart parking systems under three primary delivery models, including supply-only model involving product delivery only, commissioning-supported model that also covers system commissioning services, and turnkey model integrating product delivery, on-site construction, installation and commissioning, with project-based pricing determined by scope and complexity.

- Our smart parking management services business provides management services for parking entrance and exit lanes or entire parking facilities. Specifically, we assist customers in improving their traditional on-premises parking management workflows using an integrated online-offline model. This involves installing our smart parking systems as tools, and enabling centralized 24/7 monitoring by our remote command center. We are also responsible for access control, parking fee management, on-site management, personnel operational training, etc. This approach reduces operating costs and boosts management efficiency for parking asset owners and operators, while also improving the parking experience for vehicle owners and drivers. We typically retain ownership and control over the installed parking systems during the service term, while our customers generally retain the operational management rights of parking facilities. We charge customers a fixed monthly fee for our services or, to a much lesser extent, adopt a revenue-sharing model, where we collect a fee based on a predetermined percentage of the parking facility's revenue.

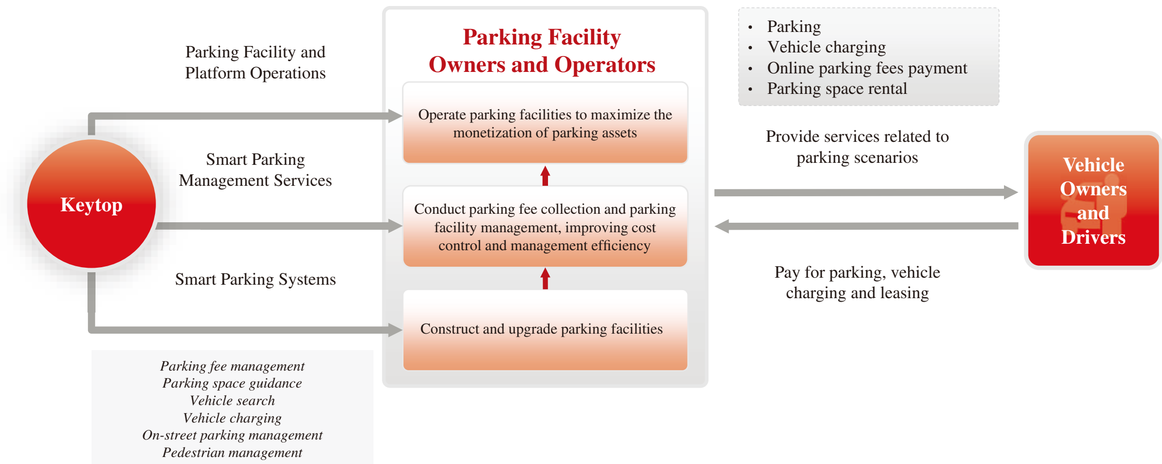
- Our parking facility and platform operations business goes beyond improving cost control and management efficiency and emphasizes maximizing the monetization of parking assets by means such as optimizing pricing strategies based on market benchmarking, demand conditions and usage patterns, increasing parking utilization and exploring additional revenue streams. Parking facility and platform operations have evolved into multiple models, including (1) integrated operations, including contract operation and off-peak usage collaboration, (2) value-added operations, including charging station collaboration, parking voucher collaboration and advertising collaboration, and (3) platform-based operations, including online parking fee payment platform, i.e., *Speed Parking (速停車)*, and online parking space rental platform.

Specifically, under contract operation model, we obtain the right to occupy parking facilities at a fixed fee, typically on an annual basis, and assume responsibility for their digital transformation and operational management, achieved by installing our smart parking systems and employing onsite and remote operational personnel. In return, we obtain the exclusive right to manage and operate the parking facilities and are generally able to retain all revenue from operations or share revenue that exceeds a designated threshold with parking facility owners. In certain cases, we may also request a minimum income plus revenue-sharing model.

See "Business — Our Offerings" and "Business — Sales and Marketing — Pricing and Fee Model" for details.

For smart parking systems, our revenue mainly comes from hardware product sales, implementation services, SaaS arrangements and service-type warranty services. Revenue for sales of hardware products is recognized when our customer takes possession of and accepts the hardware product. Implementation services include on-site construction, hardware installation, software deployment and commissioning and customer training to ensure system functionality, and revenue from such services is recognized over time. Under SaaS arrangements, we provide customers with cloud-based software on a subscription basis, and recognize revenue over time on a straight-line basis throughout the expected service period. Under service-type warranty services, we offer technical support, such as remote diagnostics, troubleshooting and equipment replacement, and recognize revenue on a straight-line basis over the warranty period. For smart parking management services, revenue is recognized over time on a straight-line basis throughout the service period. For parking facility and platform operations, revenue is either recognized over time as the parking service is provided where we operate certain parking facilities and directly provide parking services to vehicle drivers, or recognized when the service is delivered for advertising services and fee collection services. See Note 2(t) to the Accountants' Report in Appendix I to this prospectus.

The following diagram illustrates our business model.



Our integrated approach has fostered synergies among our three business lines to drive sustained growth and innovation. Our smart parking systems serve as the foundation, providing hardware and software products to upgrade parking facilities. Leveraging the capabilities of such hardware and software products, we are able to offer smart parking management services and parking facility and platform operations to further enhance operational efficiency and elevate the asset value of parking facilities. The diverse operational models and product offerings on our platforms can attract a growing volume of parking traffic to the parking facilities we collaborate with. Furthermore, the expertise gained from managing and operating these facilities feeds back into the development of our smart parking systems to inform product enhancements and new feature development, ensuring that our offerings are continually aligned with market needs. Going forward, leveraging our accumulated parking resources, we will focus on developing our online parking space rental platform, to effectively bridge together the supply and demand sides of parking assets and optimize resource allocation in the industry. Our offerings also serve to address parking difficulties and improve parking experience for vehicle owners and drivers.

CUSTOMERS AND SUPPLIERS

We have developed and delivered our products and services to parking asset owners and operators across various scenarios, which primarily include real estate developers, property management companies and parking facility management companies. In 2023, 2024 and 2025, revenue generated from our top five customers in each year during the Track Record Period accounted for 12.2%, 16.9% and 10.5% of our total revenue, respectively, and revenue generated from our largest customer in each year during the Track Record Period accounted for 4.1%, 6.4% and 3.0% of our total revenue, respectively.

Our suppliers primarily include providers of hardware components and other raw materials used in the production of our smart parking hardware products, and contract construction and contract manufacturing services. In 2023, 2024 and 2025, purchase from our top five suppliers in each year during the Track Record Period accounted for 17.3%, 15.9% and 17.4% of our total cost of sales, respectively, and purchase from our largest supplier in each year during the Track Record Period accounted for 7.3%, 6.4% and 5.4% of our total cost of sales, respectively.

PRODUCTION

During the Track Record Period and up to the Latest Practicable Date, we manufactured our smart parking hardware products through (1) our two production facilities in Xiamen, Fujian province and Chongqing, respectively, as well as (2) our contract manufacturing partners. As of the Latest Practicable Date, we were also constructing a new production facility in Xiamen, Fujian province to expand our production capacity and improve production and logistics efficiency.

See "Business — Production" for details.

RISK AND CHALLENGES

Our business and the operations involve certain risks and uncertainties, which are set out in the section headed "Risk Factors" in this prospectus. Our evolving business portfolio makes it difficult to evaluate our prospects and the risks and challenges that we may encounter. Our historical growth may not be indicative of our future performance. If we fail to compete effectively, our business, results of operations, and financial condition may be materially and adversely affected. The size of our addressable markets and the demand for smart parking space operation may not increase as rapidly as we anticipate due to a variety of factors. If we fail to stay abreast of technological innovation and continually advance our smart parking offerings, our business, results of operations, and financial condition may be materially and adversely affected. As different investors may have different interpretations and criteria when determining the significance of a risk, you should carefully read the "Risk Factors" section in its entirety before you decide to invest in our Shares.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present the summary of our consolidated financial information during the Track Record Period and should be read together with our historical financial information and the related notes set forth in the Accountants' Report in Appendix I to this prospectus, as well as the section headed "Financial Information."

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth our consolidated statements of profit and loss and other comprehensive income for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)					
Revenue	**738,015**	**100.0**	**799,511**	**100.0**	**830,615**	**100.0**
Cost of sales	(395,295)	(53.6)	(432,576)	(54.1)	(445,406)	(53.6)
Gross profit	**342,720**	**46.4**	**366,935**	**45.9**	**385,209**	**46.4**
Other net income	39,783	5.4	19,494	2.4	21,235	2.6
Selling expenses	(154,136)	(20.9)	(159,509)	(20.0)	(153,838)	(18.5)
Administrative expenses	(63,632)	(8.6)	(65,237)	(8.2)	(91,353)	(11.0)
Research and development expenses	(42,613)	(5.8)	(45,029)	(5.6)	(44,346)	(5.3)
Impairment loss on investment properties	(3,236)	(0.4)	(884)	(0.1)	(1,114)	(0.1)
Impairment loss on other non-current assets	(924)	(0.1)	(867)	(0.1)	(330)	(0.0)
Impairment loss on trade receivables and contract assets	(12,362)	(1.7)	(9,588)	(1.2)	(2,846)	(0.3)
Impairment loss on bill receivables and other receivables	(191)	(0.0)	(3,025)	(0.4)	(1,528)	(0.2)
Profit from operations	**105,409**	**14.3**	**102,290**	**12.8**	**111,089**	**13.4**
Finance costs	(3,451)	(0.5)	(1,629)	(0.2)	(2,937)	(0.4)
Share of net profits/(losses) of associates and a joint venture	271	0.0	(1,761)	(0.2)	(178)	(0.0)
Profit before taxation	**102,229**	**13.9**	**98,900**	**12.4**	**107,974**	**13.0**
Income tax	(15,199)	(2.1)	(12,191)	(1.5)	(14,296)	(1.7)
Profit and total comprehensive income for the year	**87,030**	**11.8**	**86,709**	**10.8**	**93,678**	**11.3**

Non-IFRS measure

We use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRSs. We believe that the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management.

We define adjusted net profit (non-IFRS measure) as profit and total comprehensive income for the year adjusted by equity-settled share-based payment expenses and Listing expenses together with related income tax. Equity-settled share-based payment expenses represent the non-cash employee benefit expenses incurred in connection with our share incentive schemes. Such expenses in any specific period are not expected to result in future cash payments. Listing expenses were incurred in connection with our preparation for the Global Offering. The following table reconciles our adjusted net profit (non-IFRS measure) with profit and total comprehensive income for the year presented under IFRSs.

	Year Ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Profit and total comprehensive income for the year	**87,030**	**86,709**	**93,678**
Adjusted for:			
Equity-settled share-based payment expenses	2,383	4,978	5,153
Listing expenses	—	—	27,096
Income tax in relation to Listing expenses	—	—	(4,064)
Adjusted net profit (non-IFRS measure)	**89,413**	**91,687**	**121,863**

Revenue

During the Track Record Period, we generated revenue primarily from our smart parking offerings to parking facility owners and operators, including smart parking systems, smart parking management services and parking facility and platform operations. The following table sets forth a breakdown of our revenue by business line for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Smart parking systems	452,568	61.3	478,876	59.9	477,937	57.5
Smart parking management services	186,853	25.3	194,726	24.4	176,068	21.2
Parking facility and platform operations	96,873	13.1	124,227	15.5	175,064	21.1
Others[(1)]	1,721	0.3	1,682	0.2	1,546	0.2
Total	**738,015**	**100.0**	**799,511**	**100.0**	**830,615**	**100.0**

(1) Others primarily included rental income.

Our revenue increased by 8.3% from RMB738.0 million in 2023 to RMB799.5 million in 2024, primarily attributable to our continued efforts to grow our parking facility and platform operations business, especially our contract operation model. This led to a 28.2% increase in revenue from this business line from RMB96.9 million in 2023 to RMB124.2 million in 2024. Our revenue from smart parking systems and smart parking management services increased slightly by 5.8% and 4.2%, respectively, during the same period, due to moderate increases in the number of parking facilities served as a result of our product development and customer acquisition efforts.

Our revenue increased by 3.9% from RMB799.5 million in 2024 to RMB830.6 million in 2025, primarily attributable to a 40.9% increase in revenue from parking facility and platform operations from RMB124.2 million in 2024 to RMB175.1 million in 2025. This increase was primarily due to our continued efforts to grow our contract operation model and other operational models, which led to an increased number of parking facilities served from 18,823 in 2024 to 22,504 in 2025. Meanwhile, our revenue from smart parking systems remained stable at RMB478.9 million and RMB477.9 million in 2024 and 2025, respectively, primarily due to a decrease in revenue from sales of hardware products as a result of the gradual shift of market demand from construction of new parking facilities to upgrades of existing facilities on an as-needed basis amid the slowdown in China's real estate industry, offset by increased revenue from service-type warranty services and implementation services relating to deployment, commissioning and maintenance services for existing customers. Our revenue from smart parking management services decreased by 9.6% from RMB194.7 million in 2024 to RMB176.1 million in 2025, primarily because (1) a substantial number of contracts entered into five or more years ago reached expiration, with the number of new and renewed facilities temporarily falling short of those that expired, leading to a decrease in the number of parking facilities served from 4,890 to 4,519 during the same periods and (2) certain customers, especially renewed customers, tended to choose lighter-asset or lower-tier service packages, including selecting service packages requiring fewer hardware products or engaging us only for remote kiosk agent services while using their legacy or self-purchased equipment, resulting in lower contract values.

Cost of sales

The following table sets forth a breakdown of our cost of sales by nature for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Product costs	167,582	42.4	165,177	38.2	157,042	35.3
Labor costs	80,781	20.4	101,171	23.4	105,971	23.8
Depreciation and amortization	43,293	11.0	43,372	10.0	34,214	7.7
Construction costs	25,554	6.5	31,842	7.4	26,067	5.9
Contracting fees	10,410	2.6	15,374	3.6	48,825	11.0
Mobile payment commissions	13,174	3.3	13,814	3.2	15,197	3.4
Maintenance costs	9,825	2.5	13,155	3.0	11,844	2.7
Others[(1)]	44,676	11.3	48,671	11.3	46,246	10.4
Total	**395,295**	**100.0**	**432,576**	**100.0**	**445,406**	**100.0**

(1) Others primarily consisted of server costs, logistics costs and other miscellaneous costs.

Gross profit and gross profit margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Smart parking systems	189,049	41.8	204,640	42.7	219,169	45.9
Smart parking management services	108,153	57.9	106,355	54.6	94,754	53.8
Parking facility and platform operations	44,312	45.7	54,768	44.1	70,244	40.1
Others	1,206	70.1	1,172	69.7	1,042	67.4
Total	**342,720**	**46.4**	**366,935**	**45.9**	**385,209**	**46.4**

Other net income

The following table sets forth a breakdown of our other net income for the years indicated.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Government grants	18,332	13,405	14,148
Net foreign exchange (loss)/gain	(91)	(262)	5
Net fair value changes on financial assets measured at fair value through profit or loss	436	1,409	826
Interest income	3,098	3,432	3,258
Net gain on disposal of property, plant and equipment	3,718	2,032	3,290
Net gain on early termination of a parking facility operation contract	14,230	—	—
Others	60	(522)	(292)
	39,783	**19,494**	**21,235**

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Total non-current assets	360,633	419,505	544,845
Total current assets	828,057	919,244	881,149
Total current liabilities	323,247	382,404	310,407
Net current assets	504,810	536,840	570,742
Total non-current liabilities	21,000	39,636	108,001
Total equity	844,443	916,709	1,007,586

We had net current assets of RMB504.8 million, RMB536.8 million and RMB570.7 million as of December 31, 2023, 2024 and 2025, respectively. Our net current assets position as of each of these dates was primarily attributable to our trade and other receivables, prepayments, cash and cash equivalents and inventories, partially offset by our trade and other payables, contract liabilities and bank loans. See "Financial Information — Liquidity and Capital Resources — Current Assets and Current Liabilities."

We recorded net assets of RMB844.4 million, RMB916.7 million and RMB1,007.6 million as of December 31, 2023, 2024 and 2025, respectively. Our net assets increased from RMB844.4 million as of December 31, 2023 to RMB916.7 million as of December 31 2024, primarily due to profit and total comprehensive income of RMB86.7 million in 2024, partially offset by dividends declared to equity shareholders of RMB20.0 million. Our net assets further increased to RMB1,007.6 million as of December 31, 2025, primarily due to profit and total comprehensive income for the period of RMB93.7 million and equity-settled share-based transactions of RMB18.5 million, partially offset by dividends declared to equity shareholders of RMB20.0 million.

Summary of Consolidated Cash Flow Statements

The following table sets forth a summary of our consolidated cash flow statements for the years indicated.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Net cash generated from operating activities	182,025	66,421	144,037
Net cash used in investing activities	(21,176)	(55,400)	(104,951)
Net cash used in financing activities	(90,648)	(36,804)	(12,755)
Net increase/(decrease) in cash and cash equivalents	70,201	(25,783)	26,331
Cash and cash equivalents at the beginning of the year	120,274	190,384	164,339
Effect of foreign exchange rate changes	(91)	(262)	5
Cash and cash equivalents at the end of the year	190,384	164,339	190,675

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates or for the years indicated.

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin	46.4%	45.9%	46.4%
Net profit margin	11.8%	10.8%	11.3%
Adjusted net profit margin (non-IFRS measure)	12.1%	11.5%	14.7%
Current ratio (times)	2.6	2.4	2.8
Quick ratio (times)	2.4	2.2	2.7

See “Financial Information — Key Financial Ratios.”

OUR CONTROLLING SHAREHOLDERS AND PRE-IPO INVESTMENTS

As of the Latest Practicable Date, Mr. Sun and Mr. Huang, who have entered into the joint control arrangements, were entitled to collectively control 53.65% of the voting power at the general meetings of our Company. Upon the Listing, Mr. Sun and Mr. Huang will collectively control 48.28% of the voting power at the general meetings of our Company, assuming the Over-allotment Option is not exercised. Therefore, Mr. Sun, Mr. Huang and Hualong Electronics constituted as of the Latest Practicable Date and will continue to constitute upon the Listing a group of Controlling Shareholders. See “Relationship with Our Controlling Shareholders” and “History, Development and Corporate Structure” for further details.

To fund our rapid business expansion and diversify our shareholder base, we have conducted several rounds of pre-IPO investments. See “History, Development and Corporate Structure — Pre-IPO Investments” for details of the principal terms of our pre-IPO investments and the identities and backgrounds of our pre-IPO investors.

CONNECTED TRANSACTIONS

We have entered into certain agreements and arrangements with certain entities that will, upon the Listing, become our connected persons. Accordingly, following the Listing, the transactions contemplated thereunder will constitute continuing connected transactions under Chapter 14A of the Listing Rules. See "Connected Transactions" for details of the connected transactions.

PREVIOUS A-SHARE LISTING ATTEMPTS

In April 2017, our Company submitted an application (the "First A-Share Listing Application") for listing of the Shares on the ChiNext Market of the Shenzhen Stock Exchange (the "SZSE"). In July 2017, we received preliminary enquiries from the CSRC which concerned our Group's governance, business operations and financial condition. Due to the adjustment of our strategies and the need for introduction of external investors which may result in prolong vetting process and uncertainty on listing timetable, in October 2017, we decided not to proceed with this listing plan temporarily and voluntarily withdrew our First A-share Listing Application. We consider the enquiries were immaterial and nothing in this regard shall be brought to the attention of the Stock Exchange and the general public.

In June 2021, our Company submitted another application (the "Second A-Share Listing Application") for listing of the Shares on the ChiNext Market of the SZSE, which was later referred to the ChiNext listing committee of the SZSE (深圳證券交易所創業板上市審核委員會) (the "ChiNext Listing Committee") for consideration. On August 30, 2022, the ChiNext Listing Committee decided not to approve our Second A-Share Listing Application due to certain offering conditions, listing conditions or information disclosure requirements not being satisfied.

In a letter of decision issued to our Company on August 30, 2022 by the SZSE on the termination of its vetting on the Second A-Share Listing Application, the SZSE had raised several concerns, which had been clarified to the SZSE in the process of the Second A-Share Listing Application, and to Xiamen Supervision Bureau of the CSRC (中國證券監督管理委員會廈門監管局) (the "CSRC Xiamen Bureau") by way of verbal report in October 2022 after our case was closed by the SZSE. Save for certain email enquiries issued by the Department of International Affairs, the CSRC in September 2025, which we have made responses to, we receive no further comment or enquiry from the SZSE or the CSRC subsequent to our verbal clarification with the CSRC Xiamen Bureau in October 2022.

Our Directors confirm that all matters and comments in connection with the First A-Share Listing Application and the Second A-Share Listing Application raised by the SZSE have been addressed or otherwise resolved, and there was no disagreement between our Company and the working parties involving in the First A-Share Listing Application and the Second A-Share Listing Application. See "History, Development and Corporate Structure—Previous A-Share Listing Attempts" for details.

DIVIDEND

We are a joint stock company incorporated under PRC laws. According to the PRC Company Law and as advised by our PRC Legal Advisors, no dividend shall be declared or payable, unless we have profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, if any, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. According to the Articles, we shall implement a continuous and stable profit distribution policy. A reasonable portion of our profits shall be distributed, provided that adequate funds are reserved to meet our operational needs and future development. After the Shareholders' meeting of our Company has resolved on the profit distribution plan, our Board shall complete the distribution of dividends (or shares) within two months thereafter. See "Financial Information — Dividend" and "Summary of Articles of Association — Profit Distribution" in Appendix III to this prospectus for details. In 2023, 2024 and 2025, our Company declared dividends of nil, RMB20.0 million and RMB20.0 million, respectively, all of which had been paid in full. See Note 30 to the Accountants' Report included in Appendix I to this prospectus for details. At our Shareholders' general meeting held in April 2026, we declared a dividend of RMB20.0 million, which was paid in full in the same month.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any litigation, arbitration, or administrative proceeding pending or, to our knowledge, threatened against us or any of our Directors that could have a material and adverse effect on our business, results of operations, and financial condition. Our Directors confirm that, and our PRC Legal Advisors are of the view that, having made all reasonable inquiries, during the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, or experience any systemic non-compliance incident which, taken as a whole, is likely to have a material adverse effect on our business, results of operations, and financial condition. See "Business — Legal Proceedings and Compliance" for details.

OFFERING STATISTICS

The numbers in the following table are based on the assumptions that (1) the Global Offering has been completed and 1,011,240 H Shares are issued and sold in the Global Offering, (2) the Over-allotment Option is not exercised, and (3) 101,122,609 Shares are issued and outstanding following the completion of the Global Offering.

	Based on an Offer Price of HK$39.55 per H Share
Market capitalization immediately after completion of the Global Offering	HK$3,999 million
Unaudited pro forma adjusted consolidated net tangible assets per Share	HK$15.22

(1) All statistics in this table are presented based on the assumption that the Over-allotment Option is not exercised.

(2) The calculation of market capitalization is based on 101,122,609 Shares expected to be in issue and outstanding following the completion of the Global Offering.

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company per Share is calculated after the adjustments referred to in "Appendix II — Unaudited Pro Forma Financial Information" to this prospectus. No adjustment has been made to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2025. In particular, the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company as of December 31, 2025 have not taken into account the dividend of RMB20.0 million declared and paid in April 2026. Had the dividend of RMB20.0 million been approved and paid on December 31, 2025, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company as of December 31, 2025 would have decreased by RMB20.0 million and the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company per Share as of December 31, 2025 would have decreased by RMB0.20 or HK$0.23.

LISTING EXPENSES

We expect to incur a total of approximately RMB52.2 million of Listing expenses in connection with the Global Offering, representing approximately 15.0% of the gross proceeds from the Global Offering (based on an Offer Price of HK$39.55 per H Share and assuming that the Over-allotment Option is not exercised), including (1) underwriting related expenses (including but not limited to commissions and fees) of approximately RMB14.0 million, and (2) non-underwriting expenses of approximately RMB38.2 million, which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB21.7 million, and (ii) other fees and expenses of approximately RMB16.5 million. During the Track Record Period, we incurred Listing expenses of RMB30.1 million, out of which RMB27.1 million was charged to our consolidated statements of profit or loss and other comprehensive income as administrative expenses, and RMB3.0 million will be deducted from equity upon completion of the Global Offering. We expect to further incur Listing expenses of approximately RMB22.1 million prior to and upon completion of the Global Offering, out of which approximately RMB7.9 million is expected to be charged to our consolidated statements of profit and loss and other comprehensive income, and approximately RMB14.2 million is expected to be deducted from equity upon the completion of the Global Offering. The Listing expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting commissions and other fees and expenses payable by us in connection with the Global Offering, will be approximately HK$339.9 million, based on an Offer Price of HK$39.55 per H Share and assuming that the Over-allotment Option is not exercised.

We currently intend to use the net proceeds from the Global Offering for the purposes and in the amounts as set out below:

- approximately 35.0% of the net proceeds, or HK$119.0 million, to advance our R&D efforts and enhance our technological capabilities;
- approximately 35.0% of the net proceeds, or HK$119.0 million, to deepen our parking facility and platform operations business and increase our operational scale;
- approximately 20.0% of the net proceeds, or HK$68.0 million, to extend our marketing and service networks and further explore global expansion opportunities; and
- approximately 10.0% of the net proceeds, or HK$33.9 million, for working capital and other general corporate purposes.

For details, see "Future Plans and Use of Proceeds — Use of Proceeds."

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

In the four months ended April 30, 2026, we had a total of 6,813 newly approved contracts with a contract value of RMB331.1 million, as compared to 6,197 newly approved contracts with a contract value of RMB281.1 million in the same period of 2025. In particular, we had 5,655, 333 and 825 newly approved contracts in the four months ended April 30, 2026 for smart parking systems, smart parking management services and parking facility and platform operations, respectively, with a contract value of RMB137.7 million, RMB41.7 million and RMB151.6 million, respectively. In the same period of 2025, we had 5,309, 388 and 500 newly approved contracts for smart parking systems, smart parking management services and parking facility and platform operations, respectively, with a contract value of RMB180.4 million, RMB47.0 million and RMB53.7 million, respectively. The contract value generally represents the consideration payable by customers to us for our products and services, except under the contract operation model, where the contract value refers to the rental fees payable by us to the parking facility owners, which nevertheless reflects the overall scale of the relevant project. Specifically, we had 16 and nine new approved contracts under the contract operation model in the four months ended April 30, 2025 and 2026, respectively, with a contract value of RMB48.1 million and RMB136.3 million, respectively.

The contract value of our newly approved contracts for smart parking systems decreased in the four months ended April 30, 2026 as compared to the same period in 2025, primarily because we entered into a sizable contract with a contract value of RMB41.0 million in early 2025. The contract value of our newly approved contracts for contract operation model increased significantly in the four months ended April 30, 2026, mainly attributable to a large-scale contract operation project in Shenzhen in early 2026 with rental fees exceeding RMB90.0 million.

Our smart parking systems served 4,831 and 5,206 parking facilities in the four months ended April 30, 2025 and 2026, respectively. Our smart parking management services served 4,184 and 4,026 parking facilities in the four months ended April 30, 2025 and 2026, respectively. Our parking facility and platform operations served 18,637 and 21,895 parking facilities in the four months ended April 30, 2025 and 2026, respectively.

No Material Adverse Change

Our Directors confirmed that, subsequent to the Track Record Period and up to the date of this prospectus, there had been no material adverse change in our financial or trading position, and there had been no event that would materially affect the information in the Accountants' Report in Appendix I to this prospectus.

In this prospectus, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

"Accountants' Report"	the report of our Reporting Accountants, KPMG, the text of which is set out in Appendix I to this prospectus
"affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the Listing Date, and whose summary is set out in Appendix III to this prospectus
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business to the public
"CAGR"	compound annual growth rate
"Capital Market Intermediaries"	the capital market intermediaries as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this prospectus only, Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan region
"CIC Report"	an industry report commissioned by us and independently prepared by China Insights Consultancy
"China Insights Consultancy"	China Insights Industry Consultancy Limited, the industry consultant of our Company
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	KEYTOP PARKING INC. (厦門科拓通訊技術股份有限公司), incorporated under the PRC laws on June 27, 2006 as a limited liability company and converted into a joint stock company under the PRC laws on August 28, 2011

"Comprehensively Sanctioned Country"	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under related law or regulation of the Relevant Jurisdiction, currently Cuba, Iran, North Korea, Syria, the Crimea Region of Russia/Ukraine, the self-proclaimed Luhansk People's Republic (LPR) and Donetsk People's Republic (DPR) regions and Zaporizhzhia and Kherson regions
"Controlling Shareholders"	Mr. Sun, Mr. Huang and Hualong Electronics, being a group of controlling shareholders of our Company pursuant to the Listing Rules
"Conversion of Domestic Shares into H Shares"	the conversion of 88,153,289 Domestic Shares into H Shares on a one-for-one basis upon completion of the Global Offering. Such conversion of Domestic Shares into H Shares has been approved by the CSRC on April 2, 2026 and an application for H Shares to be listed on the Stock Exchange has been made to the Listing Committee
"CSDC"	the China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Domestic Shares"	ordinary Shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares not currently listed or traded on any stock exchange
"EIT Law"	Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法), as amended, supplemented or otherwise modified from time to time
"Exchange Participant(s)"	a person: (a) who, in accordance with the Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FINI"	Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all New Listings
"GAAP"	Generally Accepted Accounting Principles
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)

"H Share(s)"	overseas-listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and are to be listed on the Stock Exchange
"H Share Registrar"	Tricor Investor Services Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website at **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by our Company as specified on the designated website at **www.hkeipo.hk**
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the Operational Procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Offer Shares"	the 1,011,240 H Shares initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure of the Global Offering")
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to reallocation as described in the section headed "Structure of the Global Offering") at the Offer Price (plus brokerage, SFC transaction levies, Stock Exchange trading fees and AFRC transaction levy), on and subject to the terms and conditions described in this prospectus and as further described in "Structure of the Global Offering — The Hong Kong Public Offering" in this prospectus
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting — Hong Kong Underwriters" in this prospectus

"Hong Kong Underwriting Agreement"	the underwriting agreement dated June 16, 2026 relating to the Hong Kong Public Offering and entered into by, our Company, Mr. Sun Longxi (孫龍喜), Mr. Huang Jinlian (黃金練), Xiamen Hualong Electronics Technology Co., Ltd. (廈門鏵龍電子科技有限公司), China International Capital Corporation Hong Kong Securities Limited, CMBC International Capital Limited, CMBC Securities Company Limited and the Hong Kong Underwriters, as further described in "Underwriting — Underwriting Arrangements and Expenses" in this prospectus
"Hualong Electronics"	Xiamen Hualong Electronics Technology Co., Ltd. (廈門鏵龍電子科技有限公司, formerly known as 廈門鏵龍投資管理有限公司), incorporated under the PRC laws on May 23, 2014 as a limited liability company and a Controlling Shareholder
"IFRSs"	IFRS Accounting Standards as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	person(s) or company(ies), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected person(s) of our Company within the meaning ascribed thereto under the Listing Rules
"International Offer Shares"	the 9,101,040 H Shares initially offered by our Company for subscription pursuant to the International Offering together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option (subject to reallocation as described in the section headed "Structure of the Global Offering")
"International Offering"	the offering of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act or any other available exemption from the registration requirement under the U.S. Securities Act, as further described in "Structure of the Global Offering" in this prospectus
"International Sanctions"	all applicable laws and regulations related to economic sanctions, export controls, trade embargoes, and wider prohibitions and restrictions on international trade and investment related activities, including those adopted, administered, and enforced by the U.S. government, the European Union and its member states, the United Kingdom or government of Australia
"International Sanctions Legal Advisors"	Hogan Lovells, our legal advisors as to International Sanctions laws in connection with the Listing
"International Underwriters"	the group of international underwriters that is expected to enter into the International Underwriting Agreement to underwrite the International Offering

"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering, which is expected to be entered into by our Company, the Controlling Shareholders, the Joint Sponsors, the Overall Coordinators and the International Underwriters in respect of the International Offering, as further described in "Underwriting — Underwriting Arrangements and Expenses — International Offering" in this prospectus
"Joint Bookrunners"	the joint bookrunners as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Global Coordinators"	the joint global coordinators as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Lead Managers"	the joint lead managers as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Sponsors"	the joint sponsors as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Latest Practicable Date"	June 8, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing"	listing of the H Shares on the Main Board of the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date, expected to be on or around Friday, June 26, 2026, on which our H Shares of the Company are listed and from which dealings therein are permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"Mr. Huang"	Mr. Huang Jinlian (黃金練), one of our founders, an executive Director and a Controlling Shareholder
"Mr. Sun"	Mr. Sun Longxi (孫龍喜), one of our founders, the chairman of the Board, an executive Director, our Company's general manager and a Controlling Shareholder
"NDRC"	the National Development and Reform Commission of the PRC （中華人民共和國國家發展和改革委員會）
"Nomination Committee"	the nomination committee of the Board

"OFAC"	the U.S. Department of Treasury's Office of Foreign Assets Control
"Offer Price"	HK$39.55 per Offer Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Offer Shares are to be offered pursuant to the International Offering, to be determined in the manner further described in "Structure of the Global Offering — Pricing and Allocation" in this prospectus
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Overall Coordinators"	the overall coordinators as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Sponsor-OCs (for themselves and on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 1,516,800 additional H Shares at the Offer Price to, cover over-allocations in the International Offering, if any, further details of which are described in the section headed "Structure of the Global Offering" in this prospectus
"PRC Legal Advisors"	King & Wood, being the legal advisors as to the PRC laws
"Primary Sanctioned Activity"	any activity in a Comprehensively Sanctioned Country or (1) with; or (2) directly or indirectly benefiting or involving the property or interests in property of, a Sanctioned Target by the Company incorporated or located in a Relevant Jurisdiction or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law and regulation
"Regulation S"	Regulation S under the U.S. Securities Act
"Relevant Jurisdiction"	any jurisdiction that is relevant to our Company and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assets or certain countries, governments, person or entities targeted by such law or regulation. For the purpose of this prospectus, Relevant Jurisdictions include the U.S., the European Union, the United Kingdom and Australia

"Relevant Person"	our Company, together with our investors and Shareholders and persons who might, directly or indirectly, be involved in permitting the listing, trading, clearing and settlement of our Shares, including the Stock Exchange and related group companies
"Relevant Regions"	Iran, Egypt, Hong Kong, Iraq, Russia (excluding the Crimea/Luhansk People's Republic (LPR)/Donetsk People's Republic (DPR)/Kherson/Zaporizhzhia regions), and Turkey
"Remuneration Committee"	the remuneration and appraisal committee of our Board
"Reporting Accountants"	KPMG
"RMB"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
"Sanctioned Person"	certain person(s) and identity(ies) listed on OFAC's Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the U.S., EU, UK, UN or Australia
"Sanctioned Target"	any person or entity (1) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (2) that is, or is owned or controlled by, a government of a Comprehensively Sanctioned Country; or (3) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (1) or (2)
"SDN"	individuals and entities that are listed on the SDN List
"SDN List"	the list of Specially Designated Nationals, and Blocked Persons maintained by OFAC, which sets forth individuals and entities that are subject to its sanctions and restricted from dealings with U.S. persons
"Secondary Sanctionable Activity"	certain activity by the Company that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though the Company is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus with that Relevant Jurisdiction
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares

"Shareholders(s)"	holder(s) of the Share(s)
"Sponsor-OCs"	the sponsor-overall coordinators as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Stabilizing Manager"	China International Capital Corporation Hong Kong Securities Limited
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Track Record Period"	the three years ended December 31, 2025
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"U.S. Securities Act"	the Securities Act of 1933, as amended, of the United States, and the rules and regulations promulgated thereunder
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States

In this prospectus, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "subsidiaries," and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this prospectus have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this prospectus in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.

This glossary of technical terms contains terms used in this prospectus as they relate to our business. As such, these terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"AI"	artificial intelligence technology, engineered systems that generate content, predictions, recommendations, or decisions oriented toward human-defined objectives
"AIoT"	artificial intelligence of things, the combination of AI technologies with the IoT infrastructure to achieve more efficient IoT operations, improve human-machine interactions and enhance data management and analytics
"application"	application software designed to run on mobile devices
"big data"	the use of advanced analytic techniques against large, diverse sets of information, which greatly exceed the capabilities of traditional database software tools in terms of data collection and analysis, to uncover hidden patterns, correlations and other useful information that can help organizations make more informed decisions
"cloud computing"	a paradigm for enabling network access to a scalable and elastic pool of shareable physical or virtual resources with self-service provisioning and administration on-demand
"cloud-based"	the on-demand access to shared pools of applications, services and resources via the internet using third-party hosted servers
"computer vision"	a field of AI that uses machine learning and neural networks to teach computers and systems to derive meaningful information from digital images, videos and other visual inputs, and to make recommendations or take actions when they see defects or issues
"deep learning"	a subset of machine learning that utilizes multi-layered neural networks, known as deep neural networks, to simulate the complex decision-making power of the human brain
"edge computing"	a distributed paradigm that brings computing and storage closer to terminal devices for lower latency compared to centralized cloud or on-premises deployment
"entrance and exit lane"	a designated entrance and exit lane within a parking facility, where the smart parking systems are deployed to manage vehicle entry, exit and fee collection
"foundation model"	a machine learning or deep learning model that is trained on vast datasets so it can be applied across a wide range of use cases
"heterogeneous network"	a type of network architecture that combines multiple access technologies and different types of cells to improve connectivity and network performance

"IoT"	internet of things, the network of physical devices embedded with electronics, software, sensors and network connectivity, which enables these objects to collect and exchange data, allowing these devices to communicate with each other and with users
"LLM"	large language model, a machine learning model designed to process and generate humanlike language by leveraging statistical patterns learned from vast corpora of text data
"LoRa"	a wireless technology that offers long range, low power and secure data transmission for IoT applications
"LPWAN"	low-power wide-area network, a class of wireless communications technology that has been purpose-built for low-bandwidth lot applications
"multi-modal fusion"	the process of integrating and processing data from multiple sources or modalities (e.g., text, images, audio) to enhance machine learning models' performance and decision-making accuracy
"parking facility"	a place or structure where vehicles can be parked, typically accommodating multiple parking spaces and offering amenities such as security, lighting, payment systems, and electric vehicle charging stations. When calculating the number of parking facilities served in a given period, we measure (1) for our smart parking systems business, which typically involves one-time system delivery and installation, the number of newly contracted parking facilities during the period, and (2) for our smart parking management business and parking facility and platform operations business, which typically provide services on an ongoing basis, the number of parking facilities actually being served during the period, regardless of the contract signing date; a parking facility will be counted only once in a given period, even if it purchases more than one of our smart parking offerings or makes multiple purchases during such period
"parking space"	a designated area within a parking facility or an open space where a single vehicle can be parked
"parking space operation"	the integrated operations of parking facilities, including hardware devices installation and maintenance, software systems deployment, parking management services, and parking asset operations within parking facilities, realized through either manual labor or intelligent technologies
"plug-in"	a software extension component that adds new features to an application without altering the core structure of the software
"R&D"	research and development
"SaaS"	software as a service, a category of cloud services that provides a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted

"set"	a functional combination of equipment required to form a complete system delivering the designed functionality in its intended application scenario. Specifically, one set of our smart parking systems consists of one unit of core equipment together with the required units of ancillary equipment, which together enable the system to function as an integrated solution
"smart parking operation system"	smart parking operation system includes, but is not limited to, parking related enterprise resource planning (ERP) system, customer relationship management (CRM) system, business intelligence (BI) analysis tools, and digital statistical reporting tools
"smart parking space operation"	the intelligent operations of parking facilities, typically utilizing advanced technologies such as IoT, mobile payments, cloud computing, big data and AI to fulfil the demands of digitalized management and operations generated from the whole process of parking space operations
"terminal-edge-cloud"	a loosely coupled distributed system composed of multiple interconnected computing nodes on the device, at the edge, and in the cloud computing environment
"unit"	a standalone piece of equipment. Specifically, each hardware product of our smart parking systems, such as high-speed license plate recognition camera, parking barrier gate, self-service payment terminal, ticket and card dispenser, network intercom device and embedded server of parking fee management system, as well as access control device, facial recognition device and pedestrian access gate of smart pedestrian management system, is counted as one unit

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

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this prospectus. Forward-looking statements can be identified by words such as "may," "will," "should," "would," "could," "believe," "expect," "anticipate," "intend," "plan," "continue," "seek," "estimate," or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our business prospects;
- our business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which we operate;
- general economic, political and business conditions in locations where we operate;
- our financial condition and performance;
- our capital expenditure plans;
- our dividend policy;
- changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- the extent and nature of, and potential for, future development of our business;
- the actions of and developments affecting our competitors;
- the actions of and developments affecting our major customers and suppliers; and

- certain statements in the sections headed "Risk Factors," "Industry Overview," "Regulatory Overview," "Business," "Financial Information," "Relationship with our Controlling Shareholders" and "Future Plans and Use of Proceeds" with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

Any forward-looking statement made by us in this prospectus speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

Investment in our H Shares involves significant risks. You should carefully read and consider all of the information in this prospectus, including the risks and uncertainties described below, before deciding to invest in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment. The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business and results of operations.

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized into (1) risks relating to our business and industry, (2) risks relating to conducting business in China, and (3) risks relating to the Global Offering.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our evolving business portfolio makes it difficult to evaluate our prospects and the risks and challenges that we may encounter. Our historical growth may not be indicative of our future performance.

We have continued to expand our business since our inception. We began providing smart parking systems in 2006 and have been continuing to enrich and develop our business matrix with smart parking management services and parking facility and platform operations. We achieved steady growth during the Track Record Period, which was primarily driven by the expansion of our parking facility and platform operations business. Specifically, revenue from this business line increased from RMB96.9 million in 2023 to RMB175.1 million in 2025, with its contribution to total revenue rising from 13.1% to 21.1% over the same period. In the meantime, revenue from our smart parking systems, which represented our largest business line in terms of revenue contribution during the Track Record Period, remained relatively stable. In particular, we recorded a decrease in revenue from sales of hardware products under this business line from 2024 to 2025 as a result of the gradual shift of market demand from construction of new parking facilities to upgrades of existing facilities on an as-needed basis amid the slowdown in China's real estate industry. Moreover, revenue from smart parking management services decreased by 9.6% from 2024 to 2025, primarily due to (1) a decrease in the number of facilities served as new and renewed contracts temporarily fell short of those that expired, and (2) certain customers' preference for lighter-asset or lower-tier service packages with lower contract values. See "Financial Information — Discussion of Major Profit or Loss Items — Revenue" for details. You should not consider our historical performance as indicative of our future financial performance. As a result of our evolving business portfolio and limited operating history in certain offerings, it is difficult to draw an exact period-over-period comparison of our business, results of operations and financial condition as a whole.

As our addressable markets are rapidly evolving, and our business further develops, we may modify our business model and operations. We may launch new offerings or discontinue any existing ones for strategic purposes. Any of such modifications or changes may have a material adverse effect on our business, results of operations, financial condition and prospects. We may also face risks and challenges in budgeting for our expenses, planning for capital expenditures, complying with existing and new laws and regulations applicable to our business, and anticipating and adapting to evolving macroeconomic and industrial conditions, including technological developments and changes in the competitive landscape.

If we fail to address the risks and difficulties that we face, including those listed above and described elsewhere in this "Risk Factors" section, our business, results of operations and financial condition could be materially and adversely affected. In addition, because we have limited historical financial data and operate in rapidly evolving markets, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or changed, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, results of operations and financial condition could be adversely affected.

If we fail to compete effectively, our business, results of operations and financial condition may be materially and adversely affected.

China's smart parking space operation industry features a relatively fragmented competitive landscape, with top five players accounting for an aggregate market share of 17.4% in terms of relevant revenue in 2024. We rank No. 2 in the industry with a market share of 3.3% in terms of relevant revenue during the same year. The relatively low market share, even among the leading players, reflects the fragmented nature of the market, which consists of a large number of participants operating at varying scales across different regions. We compete with a wide range of market players, including other smart parking space operators as well as traditional parking space operators that are increasingly adopting data and AI technologies. In particular, smart parking space operators' penetration in the overall parking space operation market in China is 3.1% of the overall market size in 2024, while traditional operators accounted for 96.9% of the market size. Our competitors may have greater brand recognition, longer corporate operating history and broader established customer base than us. They may also have, or in the future gain, more financial resources and sophisticated technological capabilities than us. Furthermore, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or customer demand than us. In addition, as our business portfolio continues to evolve, the basis for the competition may become different, and we are likely to face additional competitors.

We may also face competition from new entrants who may offer lower prices or new technologies and offerings, and thus increase the level of competition in the future. Intensified competition could result in lower sales, price reduction, declined profit margins or loss of market share. Furthermore, we may be required to make substantial additional investments in R&D, sales and marketing, recruiting and retaining talents, and acquiring technologies complementary to, or necessary for, our current and future offerings in response to such competitive challenges, and we cannot assure you that these measures will be effective. If we are unable to compete successfully, our business, results of operations and financial condition may be materially and adversely affected.

The size of our addressable markets and the demand for smart parking space operation may not increase as rapidly as we anticipate due to a variety of factors.

China's smart parking space operation industry has been developing rapidly. The future demand for our smart parking offerings may, however, be difficult to anticipate since it depends on a number of variables, most of which are beyond our control. For example, changes in individual behavior and society, such as the increased adoption of remote working arrangements and online meetings, may lead to a decline in demand for our smart parking offerings. In addition, long-term changes in the transportation industry and transportation preferences among the general public could also have a negative impact on our business, such as the increased focus on reduction of greenhouse gas emissions and the increased use of alternative public transportation, as they may lead to a decline in parking demand. Similarly, changes in national policies regarding the development of the vehicle industry may impact private vehicle ownership, which, in turn, will impact the demand of our smart parking offerings. Furthermore, the industry may develop slower than we expect if smart parking space operation fails to gain widespread acceptance, or if customer demand declines due to weakening economic conditions, technical challenges, data security or privacy concerns, enhanced regulations, or the emergence of alternative technologies or products and services.

In addition, the market demand and acceptance of smart parking offerings may vary across different regions. Whether potential customers accept our products and services depends, to a large extent, on their level of awareness of such offerings and the widespread adoption of similar offerings, as well as the regional economic and demographic conditions. As we aim to expand our business both domestically and internationally, we may face challenges brought by more diverse and complex regional conditions. We cannot assure you that the trend of adopting and utilizing smart parking space operation products and services by potential customers will develop or continue in the future in any given area, which in turn would hinder our business and prospects.

If we fail to stay abreast of technological innovation and continually advance our smart parking offerings, our business, results of operations and financial condition may be materially and adversely affected.

The industries that we operate in are characterized by constant changes, including rapid technological evolution, frequent introduction of new products and services, continual shifts in customer demands, and the constant emergence of new industry standards and practices. As such, our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner and develop and provide satisfying products and services accordingly.

We have invested, and will continue to invest, significant resources, including financial, human and managerial resources, to advance our technological capabilities and enhance our smart parking offerings. Our research and development expenses were RMB42.6 million, RMB45.0 million and RMB44.3 million in 2023, 2024 and 2025, respectively, representing 5.8%, 5.6% and 5.3% of our revenue for the same years, respectively. Our continued R&D efforts may lead to increased expenses in the future, which may negatively impact our profitability in the short term. However, our R&D efforts may not always yield the desired results. Given the fast pace with which the technology has been and will continue to be developed, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. We may also not be able to leverage new technologies effectively or adapt our offerings to meet customer needs or changing market conditions. Even if our R&D efforts successfully lead to new or upgraded products or services or technology improvements, they may require lengthy period of time for testing before commercialization, and the final products or services we offer to the market may not be well-received by our customers. Any of the circumstances would render our existing technologies or offerings obsolete or unattractive, thereby limiting our ability to recoup the expenses incurred. Our failure to keep up with the technological development in the smart parking space operation industry and deliver effective solutions may materially and adversely affect our business, results of operations, financial condition and prospects.

Our success depends in large part on our ability to successfully execute our growth strategies.

We intend to pursue a number of strategies to further grow our business, in particular to advance our parking facility and platform operations business, strengthen our R&D capabilities, further upgrade our operations, broaden our customer base and extend our global reach. See "Business — Growth Strategies" for details. Our ability to successfully execute our growth strategies can be affected by many factors, including market demand fluctuations, changes in economic and social conditions, and our ability to recruit sufficient talents. Any failure or delay in implementing any part of our growth strategies may result in insufficient capacity to support our growth and expansion. In addition, we may be subject to the risk of potential over-expansion if we fail to accurately assess our capacity and generate anticipated returns. If we over-expand our parking facility and platform operations business, it may compromise our profitability and overall growth strategies.

In connection with these growth strategies, we expect to incur extensive use of the proceeds, which may put pressure on our cost structure and reduce our profit margins, particularly during the initial implementation period. See "Future Plans and Use of Proceeds." If the expected increase in revenue and efficiency does not materialize as planned, our cash flow could be negatively impacted, thereby weakening our liquidity position and overall financial resilience.

The successful execution of our growth strategies also depends on our ability to attract sufficient capital investment and to enhance the profitability and cash flows generated from our operating activities. If we fail to do so, or if the actual costs exceed our original estimate, we may experience delay or failure in executing our growth strategies.

If we fail to retain existing customers, attract new customers or increase their spending, our business, results of operations and financial condition may be materially and adversely affected.

Our ability to generate and increase our revenue depends largely on our ability to retain existing customers, attract new customers or increase their spending with us. This in turn would depend on a number of factors, including our ability to offer high-quality products and services that address the needs of our customers at competitive prices, roll out new and enhanced features and functionalities, strengthen our technological capabilities and adapt to the evolving industry trends and competitive landscape.

Furthermore, our customer base and customer spending with us may decline or fluctuate due to many factors, including customer satisfaction, customer budget levels, changes in our customers' underlying businesses, changes in the type and size of our customers and general economic conditions. For example, our major customers include real estate developers in China. The industry downturn since 2020 has increased our credit risk exposure, primarily due to prolonged payment delays from real estate developer customers, and liquidity issues faced by construction contractors whose source of funds mainly relies on the payments from real estate developers. Real estate developers may also reduce their spending on parking space operation products and services, which may affect our revenue growth to some extent. On the other hand, as our customers in the real estate industry undergo a business transformation, they may focus more on their core business, which lead the transition of our collaboration model from smart parking systems and smart parking management services to parking facility and platform operations. This has led to a rapid growth in our contract operation model. Therefore, it is crucial for us to remain agile and responsive to changing customer needs and evolving market landscape. In addition, our customers may find their existing smart parking systems sufficient for a considerable period of time and therefore reduce further procurement or upgrade needs. As customers accumulate parking facility management and operational experience, they may also reduce their reliance on third-party providers like us. Our smart parking management service agreements typically have a term ranging from three to five years, subject to renewal upon expiration. When such agreements expire, customers may choose to independently manage and operate the parking facilities, or renew only lighter-asset or lower-tier service packages, while using their legacy or self-purchased equipment. This may adversely affect our ability to retain existing customers and secure renewals on comparable terms for our smart parking management services.

As we continue to expand and diversify our customer base, the demands of our customers may differ from each other and evolve over time. To meet these demands, we need to upgrade, expand and modify our products and services. We also need to develop expertise and insights to serve customers across application scenarios and adapt our solutions accordingly. However, we cannot assure you that we can always provide products and services that meet our customers' expectations. We may also fail to execute our sales and marketing strategies in a cost-effective manner or our efforts to cross-sell and up-sell may not be as successful as we anticipate. Moreover, failure to maintain high-quality customer support may also have an adverse effect on customer retention. As a result, we may not be able to retain and expand our customer base, and our business, results of operations and financial condition may be materially and adversely affected.

We may fail to enhance or upgrade our existing products and services and introduce new offerings that are broadly accepted by the market, or to adapt our business portfolio in response to market demands.

To remain competitive and continuously expand our revenue streams, we need to continue to enhance and improve our existing products and services and introduce new offerings. The success of any enhancement or new products and services depends on a number of factors. Enhancements and new products and services that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, may have interoperability difficulties or may not achieve the broad market acceptance necessary to generate significant revenue. In addition, we may from time to time introduce new business models based on our observations of industry trends and market demands. For example, we have introduced the contract operation model where we obtain the exclusive right to manage and operate the parking facilities, and are rapidly increasing the number of parking facilities managed under such model. If we are unable to enhance or upgrade our existing offerings to meet the evolving customer requirements or develop new offerings and business models in a timely and cost-effective manner, we may not be able to maintain or increase our revenue or recoup our investments, and our business, results of operations and financial condition would be materially and adversely affected.

Our pricing policy may subject us to various challenges that could make it difficult for us to derive sufficient value from our customers.

For our smart parking systems, we generally charge our customers a fixed fee, which is determined upon the stand-alone selling prices of smart parking products included and customization requests raised by our customers. For our smart parking management services and parking facility and platform operations, we generally either charge our customers a fixed service fee or adopt a revenue-sharing model. See "Business" for details. Certain pricing model requires us to undertake significant projections and planning on our costs. If our projections and planning differ significantly from those actually incurred, or if we cannot control our costs in providing our products and services, our business and results of operations could be harmed.

Furthermore, we may fail to optimize our pricing, which is predominantly determined by the competitive landscape and market conditions. In the past, we have sometimes reduced our prices either for individual customers in connection with long-term agreements or for a particular solution or project, and have also sometimes failed to increase our pricing levels timely to cover increased costs and expenses or to reach desirable profit margins. As competitors introduce new products or services that compete with ours or reduce their prices, we may be unable to attract new customers or retain existing customers based on our historical pricing. In case we fail to increase our pricing levels, or even be required or choose to reduce our prices or change our pricing model, our business, results of operations and financial condition could be materially and adversely affected.

We generate a significant portion of our revenue from smart parking systems business, and our smart parking management services and parking facility and platform operations businesses are dependent on our smart parking hardware and software products.

We began providing smart parking systems in 2006 and have since evolved our offerings to include smart parking management services and parking facility and platform operations. To date, smart parking systems continue to be our most significant revenue stream among our three business lines. We generated revenue of RMB452.6 million, RMB478.9 million and RMB477.9 million from smart parking systems in 2023, 2024 and 2025, respectively, representing 61.3%, 59.9% and 57.5% of our total revenue in the same years, respectively. Furthermore, both our smart parking management services and parking facility and platform operations utilize our smart parking hardware and software products to facilitate the management and/or operations of parking facilities. For example, when providing smart parking management services, we first install our smart parking products in the parking facilities of our customers, over which we typically retain ownership and control during the service term. In the contract operation model under our parking facility and platform operations business, we also assume responsibility for the digital transformation of parking facilities, achieved by installing our smart parking products. As such, if we experience any adverse changes to our smart parking systems business, or if our smart parking hardware and software products become less attractive or even obsolete, it could significantly impact our overall revenue and market position.

If we fail to provide high-quality customer support, our brand image, business, results of operations and financial condition may be harmed.

Our customers rely on our customer support team to help them deploy or configure our offerings, and to provide ongoing maintenance and operational support. We may fail to maintain the standards of our customer service, retain a sufficient number of customer support personnel and provide adequate training to them. Moreover, our customer service may fail to timely and effectively resolve the problems associated with our offerings, which could cause our customers to lose confidence in us and reduce or cease their engagement of our products and services. Furthermore, in order to grow our operations and expand our customer base, we need to continuously provide effective maintenance and operational support that meets our customers' needs at scale. Any failure to maintain high-quality customer support or a market perception that we do not maintain such for our customers would harm our business.

As a great portion of our customers engage our products and services in their routine operations of parking facilities, our failure to resolve problems of our offerings may result in significant disruptions to their businesses, particularly fee collection. As a result, our brand image and ability to retain and bring in customers may be negatively affected. In addition, vehicle owners and drivers that use the parking facilities may post complaints or other forms of negative publicity on social media and other channels about our offerings for our failure to provide high-quality services. As a result, our brand image, business, results of operations and financial condition may be harmed.

Failure to enhance our brand recognition and sales and marketing capabilities could harm our ability to increase our customer base and adversely affect our business, results of operations and prospects.

We believe that brand recognition is important for our continued success, particularly as competition in our market increases. Successfully maintaining and enhancing our brand recognition will depend largely on the effectiveness of our marketing efforts, as well as on the market acceptance and competitiveness of our products and services. However, our efforts may not always be successful or yield increased revenue.

Moreover, the promotion of our brand also requires us to increase related expenses, and we expect that these expenses will increase as the market becomes more competitive. Our selling expenses were RMB154.1 million, RMB159.5 million and RMB153.8 million in 2023, 2024 and 2025, respectively, representing 20.9%, 20.0% and 18.5% of our revenue for the same years, respectively. To the extent that our sales and marketing activities increase revenue, the increase in revenue still may not necessarily be sufficient to offset the expenses we incur. We may also be unable to hire and train sufficient numbers of qualified sales personnel or ensure the productivity of our sales personnel in acquiring new customers or cross-selling to our existing customers. If we do not successfully maintain and enhance our brand and ensure the effectiveness of our sales and marketing efforts, our ability to expand our customer base may be impaired, which would then adversely affect our business, results of operations and financial condition.

We involve third parties in our operations for certain supplies and services required for our products and services. Such arrangements may reduce our control over supply sufficiency, quality and timeliness and could harm our business.

We procure an array of hardware components and other raw materials included in our offerings from third-party suppliers. We also outsource the production of certain products to third-party manufacturers. We incurred product costs, which primarily included the costs of equipment, raw materials, labor and other items involved in the production activities for our smart parking hardware products, of RMB167.6 million, RMB165.2 million and RMB157.0 million in 2023, 2024 and 2025, respectively. These arrangements may reduce our direct control over the supply sufficiency, quality and timeliness, and in turn, affect the quality, development and deployment of our products and services. We may experience operational difficulties with our third-party suppliers, including reduction in product availability and capacity, price fluctuations, failures to comply with our specifications, insufficient quality control, and failures to meet our schedules. Our third-party suppliers may experience disruptions in their operations due to equipment and system breakdowns, labor disputes or shortages, raw material shortages, rising costs, non-compliance issues or other problems. In addition, we may not be able to renew contracts with our third-party suppliers or identify substitute partners. See also "— We may not be able to fully maintain quality control over our smart parking products." Any failure of our third-party suppliers to perform their responsibilities may have a material adverse effect on our ability to serve our customers. As a result, our business, reputation, results of operations and financial condition could be materially and adversely affected.

We may not be able to effectively manage our inventory levels.

Our inventories primarily include raw materials such as hardware components used in our production activities, finished goods in stock, work in progress and goods in transit. We recorded inventories of RMB62.9 million, RMB66.6 million and RMB53.0 million as of December 31, 2023, 2024 and 2025, respectively. In 2023, 2024 and 2025, our inventories turnover days were 54, 55 and 49 days, respectively. See "Financial Information — Discussion of Major Balance Sheet Items — Inventories."

If we fail to manage our inventory levels effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in the value of inventories, and potential inventory write-downs. On the other hand, if our forecasted demand is lower than actual level, we may not be able to maintain an adequate inventory level of our raw materials and products or manufacture our products in a timely manner, and may lose sales and market share to our competitors. In addition, our goods in transition can be damaged or lost during transportation and be subject to delays in customer acceptance, which expose us to additional risks. Any of the foregoing may materially and adversely affect our results of operations and financial condition.

Furthermore, as we will not be able to recoup our cash paid for raw materials during the production process until the finished products are sold to customers and the purchase price is settled, our business is subject to significant working capital requirements given the relatively high inventory level. If our inventory level increases substantially in the future, our financial condition and cash flows could be materially and adversely affected.

We may not be able to fully maintain quality control over our smart parking products.

The quality of our products depends on the effectiveness of our quality control and assurance, which in turn depends on factors such as the quality and reliability of parts and components used, including those manufactured by ourselves and our manufacturing partners, the proficiency of our production staff and our ability to ensure that our production staff adhere to our quality control protocols. During the Track Record Period, we bore product liability for losses and injuries caused by failures of our products and/or services of RMB0.5 million, RMB1.7 million and RMB0.1 million for smart parking systems, smart parking management services and parking facility and platform operations, respectively. We cannot assure you that our quality control and assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards. Any significant failure or deterioration of our protocols could render our products unable to perform its regular functions, cause safety concerns that may result in physical injuries to individuals, or harm our market reputation and relationship with business partners.

In addition, the quality of parts, components and/or products manufactured by our suppliers that we incorporate into our products is beyond our control. We cannot assure you that the parts, components and/or products we procure from them are safe and free of defects or can meet the relevant quality standards. We depend on the quality control procedures of our suppliers. In the event of any quality issues, we could be subject to complaints and product liability claims and we may not be able to seek indemnification from them. If we engage in legal proceedings against our suppliers, such proceedings may be time-consuming and costly regardless of the outcomes. Any of the foregoing incidents may materially and adversely affect our business, results of operations and financial condition.

If we fail to implement our expansion plan as planned, our business and prospects could be materially and adversely affected.

We are in the process of constructing our new production facility in Xiamen, Fujian province, which also comprises warehousing and logistics functions, with a total gross floor area of approximately 46,740 square meters. The new production facility, once fully put into operations, will be used primarily for our parking products. We expect to incur a total capital expenditure of approximately RMB211 million based on our initial planning for the construction of the above-mentioned new facility, which will be funded primarily through cash flows generated from operating activities and financing activities. See “Business — Production — Expansion Plan” for details.

However, we cannot assure you that our expansion plan will be successfully implemented without delay or at all. Our ability to successfully implement our expansion plan is subject to a number of risks, including our ability to obtain the requisite permits, licenses and approvals for the construction and operations of the new facility, the risk of construction delays, and our ability to timely recruit sufficient qualified staff for our new facility. Any failure or delay in implementing any part of our expansion plan may result in insufficient production capacity to support our growth and market expansion. Moreover, our expansion plan requires significant capital investment, and the actual costs may exceed our original estimates, which could materially and adversely affect the realization of expected return on our investment. In addition, if we fail to fully utilize the additional production capacity due to any material and adverse changes to the market environment, technologies or relevant policies, or deviations in our estimates, our business, results of operations and financial condition could be materially and adversely affected.

We are exposed to credit risk in relation to our contract assets and trade and other receivables.

We are exposed to credit risk relating to our contract assets and trade and other receivables. Our contract assets primarily represented our rights to consideration arising from performance under smart parking systems business for which revenue had been recognized but not yet reached the milestones for billing. We also typically agree to a retention money for 3% to 10% of the contract value for our smart parking systems business. We had contract assets of RMB75.0 million, RMB87.0 million and RMB118.2 million as of December 31, 2023, 2024 and 2025, respectively, net of loss allowance. We cannot assure you that we will be able to receive the full amount of contract assets as our services may not be fully accepted by our customers. Our trade receivables represented amounts due from our customers where our rights to consideration became unconditional. We had trade receivables (including current and non-current portions) of RMB319.4 million, RMB303.6 million and RMB269.5 million as of December 31, 2023, 2024 and 2025, respectively, net of loss allowance. Our trade receivables turnover days were 156, 142 and 126 days in 2023, 2024 and 2025, respectively, and our trade receivables and contract assets turnover days were 190, 179 and 171 days in the same years, respectively. See “Financial Information — Discussion of Major Balance Sheet Items — Contract Assets” and “Financial Information — Discussion of Major Balance Sheet Items — Trade and Other Receivables.” We may not be able to collect our trade and other receivables in a timely manner, or at all, due to a variety of factors that are beyond our control, such as long payment cycles and the adverse financial situation of certain customers. We had impairment loss on trade receivables and contract assets of RMB12.4 million, RMB9.6 million and RMB2.8 million in 2023, 2024 and 2025, respectively.

We are exposed to the risks that our customers may delay or even be unable to pay us in accordance with the payment terms included in our agreements in a timely manner, or at all. If our customers fail to pay us under the terms of our agreements, we may be adversely affected by both the inability to collect amounts due and the costs of enforcing such terms, including through litigation. Adverse changes in the trends of the industries in which our customers operate can significantly impact their business operations and, consequently, their ability to pay us. As a result, our customers may seek to negotiate longer payment terms, use factoring or other financial services, or leverage other properties or assets in paying us, which may expose us to increased credit risk. Furthermore, some of our customers may seek bankruptcy protection or other similar relief and fail to pay amounts due to us, or delay such payments. Although we closely monitor our outstanding contract assets and trade and other receivables, we cannot assure you that we will be able to fully recover the outstanding amounts in a timely manner, or at all. In addition, as our business continues to scale up, our contract assets and trade and other receivables may continue to grow, which may increase our credit risk. Any substantial delay in or default of payments from our customers could materially and adversely affect our cash flows. Moreover, we may have to terminate our relationship with customers if we cannot timely obtain payment from them, which could have a negative impact on our customer base. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

Furthermore, we are exposed to concentration of credit risk. As of December 31, 2023, 2024 and 2025, 12.9%, 11.8% and 10.2% of the total contract assets and current trade receivables were due from our top five customers in each year during the Track Record Period, respectively. If any of these customers fail to pay us on time or default, our business and results of operations may be materially and adversely affected.

We may be exposed to liquidity risk due to a prolonged cash conversion cycle.

Our cash conversion cycle, calculated by adding inventories turnover days and trade receivables turnover days, then subtracting trade payables turnover days, was 138 days, 124 days and 107 days in 2023, 2024 and 2025, respectively. It is a metric to measure how efficiently we manage our working capital by tracking the number of days it takes to convert our investments in inventories and other resources into operating cash inflows. Although we have been continuously optimizing inventory management and improving the collection of trade receivables, these efforts may not be successful. A prolonged cash conversion cycle may place temporary pressure on our liquidity and working capital, as more cash would be tied up in inventories and trade receivables before being converted into operating cash inflows. This may in turn affect our short-term funding flexibility and increase reliance on external financing. If we are unable to manage our cash conversion cycle efficiently, our liquidity position and business prospects could be materially and adversely affected.

Failure to satisfy our obligations related to our bank loans may materially and adversely affect our business, results of operations and financial condition.

We have used, and may continue to use, bank loans to finance our working capital requirements and capital expenditures. As of December 31, 2023, 2024 and 2025, we had bank loans of RMB10.0 million, RMB29.5 million and RMB71.7 million, respectively, with interest rates ranging from 3.55% to 4.00%, 3.50% to 3.65% and 2.00% to 3.30% per annum. As of April 30, 2026, we had bank loans of RMB109.4 million and unutilized credit facilities of RMB364.5 million. We may also from time to time in the future look for other debt financing opportunities to refinance our existing loans or support our business expansion. For example, we may leverage bank loans to support the rapid growth of our contract operation model, which requires a relatively large amount of prepayments.

As of December 31, 2023, 2024 and 2025, property, plant and equipment of RMB68.2 million, RMB65.3 million and RMB129.7 million, respectively, including owned properties used as our production facility in Xiamen, Fujian province, investment properties of RMB7.0 million, RMB6.6 million and RMB6.1 million, respectively, and right-of-use assets of nil, nil and RMB20.7 million, respectively, were pledged to secure certain of our bank facilities. See Note 24 to the Accountants' Report in Appendix I to this prospectus. We may also grant security interests over our assets in the future. Any failure to satisfy our obligations under these borrowings could lead to foreclosure of the assets that secure these borrowings, if any, disruption to business operations, or otherwise damage our reputation in the industry and our relationship with customers, all of which could materially and adversely affect our business, results of operations and financial condition.

We are subject to certain restrictive covenants under the terms of our bank loans, which are commonly found in loan arrangements with financial institutions in China, and may restrict or otherwise adversely affect our operations. These covenants may restrict, among other things, the use of proceeds and pledged assets related to the bank loans, and our ability to engage in change-in-control transactions, and reduce our working capital. Furthermore, some of our bank loans are subject to the fulfillment of covenants relating to certain of our financial ratios. If we were to breach the covenants and fail to pass relevant risk assessment on us or otherwise obtain a waiver, the relevant counterparty could elect to declare the borrowings, together with accrued and unpaid interest and other fees, immediately due and payable and proceed against security interests under such borrowings, if any. If the borrowings were to be accelerated, our business and liquidity could nevertheless be subject to adverse effects. In addition, such waiver, even if granted, may lead to increased costs, increased interest rates, additional restrictive covenants and other protections available to the counterparties under these borrowings, including the granting of additional security interests, which could adversely affect our business, results of operations, financial condition, and our ability to acquire additional capital resources.

If our distributors fail to expand or maintain their sales network, or if we fail to educate or manage our distributors effectively, our sales may decline.

We engage distributors to increase sales and market share by leveraging their channel resources and, as a result, reduce our marketing cost. In 2023, 2024 and 2025, we had a network of 49, 47 and 48 distributors, respectively, and generated 2.4%, 1.9% and 1.5% of our revenue from sales to distributors, respectively. The performance of our distributors, and the ability of our distributors to on-sell our products may directly affect our sales and profitability. Any reduction, delay or cancellation of purchases from our distributors, or our failure to renew agreements with existing distributors or maintain good relationships with them, may cause fluctuations or declines in our revenue or the sustainability of our growth.

We have limited control over the operations and actions of our distributors. We rely on the distribution agreements and the policies and measures we have in place to manage our distributors. We cannot guarantee that we will be able to effectively manage our distributors, or that our distributors would not breach our agreements and policies. Our distributors may fail to meet the sales targets for our products in accordance with relevant agreements, sell products that compete with our products, sell our products outside their designated territories, or fail to provide proper training and after-sales services to our end-customers. Any violation or alleged violation by our distributors of the distribution agreements, our policies or any applicable laws and regulations could result in the erosion of our brand and an unfavorable public perception about the quality of our products, resulting in a material adverse effect on our business, results of operations, financial condition and prospects.

Backlog is subject to unexpected adjustments and cancellations and, therefore, may not be indicative of our future results of operations.

Backlog refers to the estimated contract value of work that remains to be completed as of a specific date. The contract value represents the amount that we expect to receive under the terms of the contract, assuming the contract is performed in accordance with its terms. Backlog may not be indicative of future results of operations. Many events can cause a delivery to be delayed or not completed at all, some of which may be out of our control, including delays in supply of raw materials or components by our suppliers. If we experience delays in fulfilling the backlog, those customers may seek to terminate or modify their contracts with us. Customers may otherwise seek to terminate or delay their contracts even if we are prepared to fulfill them. As the amount of our backlog is based on the assumption that our relevant contracts will be performed in full in accordance with their terms, the termination or modification of any one or more major contracts may have a substantial and immediate effect on our backlog. Also, we cannot guarantee that the amount estimated in our backlog will be realized in full, in a timely manner, or at all, or even if it is realized, such backlog will result in profits as expected. As a result, you should not rely on our backlog information as an indicator of our future earnings.

If we are unable to retain, attract and train our senior management and other key personnel, our business may be materially and adversely affected.

We rely on the expertise, experience and vision of our senior management. Any loss of service of our senior management can significantly delay or prevent us from achieving our strategic business objectives and adversely affect our business and prospects. Our future success also depends on our ability to retain existing key personnel, including the members of our R&D team, and attract and train a large pool of other qualified employees.

Competition for qualified personnel in our industry is intense, and the availability of suitable and qualified candidates is limited. In order to compete for talents, we may need to offer higher compensation, better training and more attractive career opportunities and other employee benefits, which may be costly and burdensome. If we lose the services of any senior management or other key personnel, we may not be able to identify suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and prospects and prolong our business development plans. Furthermore, if any of our executive officers or key employees joins a competitor or forms a competing business, we may lose crucial trade secrets, know-how, customers and other valuable resources, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

Negative publicity involving us, our solutions, our management, business partners or other stakeholders, or the industries we operate in may materially and adversely affect our reputation and business.

We may, from time to time, receive negative publicity about us, our Controlling Shareholders, Directors, senior management, affiliates, employees and business partners and the smart parking offerings we provide. Certain of such negative publicity may be the result of malicious harassment or unfair competition acts by third parties. Any such negative perception and publicity, with or without merit, could tarnish our reputation, reduce the value of our brand and have a negative impact on our ability to attract and retain customers. In addition, if other companies operating in China's smart parking space operation and similar industries receive a high degree of negative media coverage or citation concerning their products, services, customers and business practices, the perception of our reputation as a trustworthy solution provider may also be harmed.

However, we cannot preclude negative media coverage from being made, nor can we assure you that we will be able to defuse such negative coverage to the satisfaction of our investors, customers and business partners or prevent related misconceptions and other damages caused by such negative coverage. Preventing and mitigating the impact of such negative media coverage could also incur significant resources and management attention. As a result, our brand may suffer, which in turn may cause us to lose market share, customers and business partners.

Our business operations could be harmed by real or perceived material defects or errors in our offerings, as well as flaws or inappropriate usage of relevant technologies.

The technology underlying our smart parking offerings is inherently complex and may contain material defects or errors, particularly when new versions are first introduced, when new features or capabilities are released, or when it is integrated with new or updated third-party hardware or software. Any real or perceived defects, errors, failures, vulnerabilities or bugs could result in negative publicity or lead to system downtime, data loss or other performance issues, which could affect the business operations of our customers and harm our business, reputation and customer relationship. Correcting such defects or errors may be costly and time-consuming, and we cannot assure you that we will be able to detect, identify and rectify such problems in a timely manner or at all. We may also be involved in disputes and subject to legal liabilities in relation to real or perceived defects or errors. As a result, our business, results of operations and financial condition may be materially and adversely affected.

In addition, certain technologies that we apply in our offerings are in the early stages of development and continue to evolve. For example, similar to many innovations, AI technologies also present a number of operational, compliance and reputational risks, such as potential misuse by third parties for inappropriate purposes or biased applications which breach public confidence or violate applicable laws and regulations, or litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights such as privacy or personality rights. Specifically, data sets from which large language models ("LLMs") learn are at risk of poisoning or manipulation by bad actors, resulting in offensive or undesired outputs. The data set could also contain copyrighted content resulting in infringing outputs. AI outputs might present ethical concerns or violate current and future laws and regulations. We cannot assure you that the measures we take to prevent the misuse of our technologies and data protection will always be effective, or that our technologies will not be misused or applied in a way that is inconsistent with our intention or public expectation. Any inappropriate, abusive or premature usage of relevant technologies, whether actual or perceived, whether intended or inadvertent, and whether by third parties or by us, may dissuade prospective customers from adopting our solutions, impair the general acceptance of smart parking offerings in general, bring on negative publicity, or even violate applicable laws and regulations and subject us to legal or administrative proceedings. Each of the foregoing events may, in turn, materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

Our business processes a large amount of business and operation data, and the collection, use or disclosure of such data could be perceived as improper and could therefore harm our reputation and have an adverse effect on our business and prospects.

Our business processes massive volumes of business and operation data of our customers and parking facility users, such as license plate numbers, parking durations and locations and user payment information. This makes us an attractive target of, and potentially vulnerable to, cyberattacks, computer viruses, physical or electronic break-ins or similar disruptions. We face certain challenges and risks inherent to handling and protecting a large volume of data, including but not limited to:

- protecting the data in and hosted on our system, including against system malfunctions, cyberattacks, data leakage or fraudulent behaviors or improper use by our employees or business partners;

- addressing concerns, challenges, negative publicity and litigation related to data security and privacy, or the related collection, use and actual or perceived disclosure (including disclosure among our own businesses, with our customers and other business partners or competent regulatory authorities); and

- complying with applicable laws and regulations relating to the collection, hosting, use, storage, transfer, disclosure and security of data, as well requests from data subjects.

The collection, use or disclosure of business and operation data, if perceived as improper, could result in a loss of customers and other business partners, loss of confidence or trust in our solutions, litigation, regulatory investigations, penalties or actions against us, and significant damage to our reputation, any of which could in turn have a material adverse impact on our business, results of operations, financial condition and prospects.

Any accidental or willful security breaches or other unauthorized access could cause confidential data to be stolen and used for improper or criminal purposes. Our recovery systems, security protocols, network protection mechanisms or other defense procedures deployed to safeguard our data security may not function as we expect or could be breached. Security breaches or unauthorized access to confidential data could expose us to liabilities related to data loss, time-consuming and expensive litigation and other regulatory and legal proceedings, as well as negative publicity. In addition, concerns about our practices with regard to security of confidential data or other privacy-related matters, such as cybersecurity breaches, misuse of personal data and data sharing without necessary safeguards, even if unfounded, could damage our reputation and operating results. If any of the foregoing risks materializes, our business, results of operations, financial condition and prospects may be materially and adversely affected.

We are subject to complex and evolving laws, regulations and governmental policies regarding data security and personal information protection.

We are subject to laws and regulations regarding data security and personal information protection in China. Key regulations include, among others, the Personal Information Protection Law of PRC, the Cybersecurity Law of the PRC, the Data Security Law of PRC and the corresponding implementing rules and industry-specific policies. In addition, as we gradually enter into overseas markets, our customers may leverage our offerings outside China and we are thus required to comply with relevant laws and in such jurisdictions. See "Regulatory Overview — Regulations on Internet Information Security and Privacy Protection" and "Business — Data Privacy and Security" for details. The laws and regulations regarding data security and personal information protection in China, as well as in other jurisdictions, are generally evolving, and the interpretation and application may change accordingly to the interpretation and application thereof.

Given the evolving regulatory environment in data security and personal information protection, the legal and regulatory developments could affect the way we design and deliver our offerings, our business operations, and how we and our business partners deal with data protection. We may incur substantial costs to comply with these laws and regulations, to address the needs of our customers relating to their own compliance with applicable laws and regulations, and to establish and maintain internal compliance policies. If we fail to effectively and timely respond to relevant regulatory changes, our business operations, results of operations, financial condition and prospects will be adversely affected.

Our technology infrastructure may experience unexpected system failures, disruptions, security breaches or cyberattacks.

Our technology infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload, and by damages from natural disasters, internet or telecommunication failures, power loss, human error or other accidents. For example, our business depends on the performance and reliability of China's state-owned internet and telecommunications infrastructure, and any disruption, capacity constraint or significant cost increase in such infrastructure could adversely affect our technology infrastructure and the availability and quality of our solutions. Our infrastructure and systems may be breached if any vulnerabilities therein are exploited by unauthorized third parties. Despite any precautionary measures we may take, there is no assurance that such measures would be effective. The occurrence of unanticipated problems that affect our technology infrastructure could disrupt the availability of our solutions, which, in turn, could affect the ability of customers to use our solutions and harm their experience. As a result, our reputation, business, results of operations and financial condition could be adversely affected.

Our business may be subject to seasonal effects, and any disruption of business during any particular season could adversely affect our liquidity and results of operations.

We have experienced, and expect to continue to experience in the future, seasonality in our business, results of operations and financial condition. We believe that our quarterly sales are affected by industry buying patterns. Customers in our industry typically tend to formulate their annual budget and procurement plans in the first half of each year, while project contracting and execution are typically performed and completed in the second half, leading to higher revenue generated during such period. During the Track Record Period, based on our unaudited management accounts, revenue generated in the first half of each year accounted for approximately 40% to 45% of our total revenue for the respective year. In addition, the Chinese New Year holiday often marks a low season for our operations. Our revenue may also fluctuate due to other factors such as the general economic environment in China. The seasonality changes may cause fluctuations in our financial results and any occurrence that disrupts our business during any particular season could have a disproportionately material adverse effect on our liquidity and results of operations.

We may not be able to ensure compatibility of our products and services with a variety of hardware and software applications developed by third parties, including those of our customers and business partners.

Our products and services may be integrated with a variety of hardware and software applications developed by third parties, including those utilized or developed by our customers and business partners. We need to modify, tailor and enhance our offerings to adapt to the needs and specifications of our customers and other business partners, as well as the changes in hardware and software technologies in general in a timely and cost-effective manner. Compatibility with the hardware and software applications utilized or developed by those parties is critical to the performance and quality of our offerings, which in turn affect customer experience and our reputation. Failure to ensure such compatibility may negatively affect our competitive advantages, and our business, results of operations and financial condition would be adversely affected.

Our use of open-source technology could impose limitations on our business operations.

We use open-source software in relation to certain products and services and may continue to use open-source software in the future. Third parties may allege ownership of, or seek to enforce the terms of, an open-source license, including by demanding the release of the open-source software, derivative works, or our proprietary source code that is developed using such software, which may subject us to disputes and legal proceedings. The terms of many open-source licenses have not been interpreted by courts. There remain risks that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our offerings. In such event, we may be required to seek licenses from third parties for the purpose of commercially offering our products and services, make our proprietary code generally available in source code form, or re-engineer or discontinue our sales if re-engineering could not be accomplished on a timely basis, any of which could adversely affect our business and revenue. In addition, open-source software is subject to further development or modification by any third party. Others may develop such software to compete with us or render such software no longer useful. Our customers may also develop their own products and services using open-source software, potentially reducing the demand for our smart parking offerings. If we are unable to successfully address these challenges, our business and results of operations may be adversely affected.

Our failure to protect our intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly and ineffective.

We believe that our patents, copyrights, trademarks and other intellectual properties are essential to our success. We have devoted considerable time and resources to the development and improvement of our technologies and products and services.

We rely on a combination of contractual restrictions, confidentiality procedures, and intellectual property registration for the protection of the intellectual properties used in our business. Nevertheless, these provide only limited protection and the actions we take to protect our intellectual property rights can be costly yet ineffective. Our intellectual properties may be pirated or otherwise infringed or misappropriated by competitors or other third parties. Moreover, our trade secrets may become known or be independently discovered by our competitors. For example, R&D personnel who have resigned and joined our competitors may continue to use the know-how they obtained during their employment with us, which may negatively impact the attractiveness of our solutions to prospective customers. Although we have entered into employment agreements with confidentiality provisions with our employees, we cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach in a timely manner or at all, or that our proprietary technologies, know-how or other intellectual properties will not otherwise become known to third parties.

In addition, litigation may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of the proprietary rights of others. Such litigation may be costly and divert management's attention away from our business. An adverse determination in any such litigation would impair our intellectual property rights and may harm our business, prospects and reputation. Enforcement of judgments may not provide us with an effective remedy even if we prevail in litigation. Furthermore, we have no insurance coverage against litigation costs and would have to bear all costs arising from such litigation to the extent we are unable to recover them from other parties. The occurrence of any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

We may be subject to intellectual property infringement claims by third parties, which could have a material adverse effect on our business, results of operations and financial condition.

We may from time to time be subject to proceedings and claims that our operations or any aspects of our business infringes or otherwise violates the trademarks, copyrights or other intellectual property rights held by third parties. Our competitors may use intellectual property litigation to gain a competitive advantage, and determining whether a solution infringes proprietary rights often involves complex legal and factual analysis and is inherently uncertain. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against such infringement or licensing allegations and claims is costly and time-consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief was issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, results of operations and financial condition could be materially and adversely affected.

In addition, we may be required to indemnify our customers and other third parties for losses suffered or incurred as a result of claims of intellectual property infringement or other liabilities relating to or arising from our software, services or other contractual obligations. Indemnity payments could harm our business, results of operations and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, generally, those limitations may not be fully enforceable in all situations, and we may still incur substantial liability. Any such dispute could also have adverse effects on our customer relationship and harm our business and results of operations.

Future acquisitions, strategic investments, partnerships or alliances could be difficult to identify and integrate, divert management resources, result in unanticipated costs or dilute our Shareholders.

We have in the past invested, and we may in the future acquire or invest in, businesses, services, products or technologies that we believe could complement or expand our services, enhance our technological capabilities or otherwise offer growth opportunities. For example, we will evaluate acquisition opportunities in companies with established sales channels and brand presence in the global market. See "Business — Growth Strategies." However, we may have limited experience in making such acquisitions and we may not be able to find suitable acquisition candidates or complete acquisitions on favorable terms, if at all. Even if we complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisition we complete could be viewed negatively by customers or investors. We may also engage in other forms of business collaborations and relationships in the future, including strategic investments, partnerships and alliances. Negotiating such transactions can be time-consuming, difficult and costly, and our ability to close these transactions may be subject to third-party approvals, such as government regulatory approvals. We cannot assure you that these transactions will close or will lead to commercial benefit for us.

In addition, we may not be able to integrate acquired businesses or technologies successfully or effectively manage the combined company or our collaborations. If we fail to successfully integrate our acquisitions, or the people or technologies associated with those acquisitions, into our company, the results of operations of the combined company could be adversely affected. Any integration process will require significant time and resources, require significant attention from management, and disrupt the ordinary functioning of our business. We may ultimately fail to realize the potential financial or strategic benefits of the acquisitions. Furthermore, an acquisition could also materially impair our results of operations by causing us to incur debt or requiring us to amortize acquired intangible assets. We may also discover deficiencies in internal controls, data adequacy and integrity and regulatory compliance, as well as legal or contractual liabilities in businesses we acquire which we did not uncover prior to such acquisition. Therefore, we may become subject to penalties, lawsuits or other liabilities. Any difficulties in the integration of acquired businesses or technologies or unexpected liabilities could have a material adverse effect on our business, results of operations and financial condition.

In connection with the foregoing strategic transactions, we may issue additional equity securities that would dilute our Shareholders, use cash that we may need in the future to operate our business and incur substantial debts and liabilities. Such strategic transactions may also subject us to legal and regulatory scrutiny and increase our compliance costs. For example, we may be subject to new regulatory requirements and increased compliance risks as a result of acquisitions or other strategic transactions in new industries or overseas markets, including exposure to unfamiliar local regulatory regimes and local compliance obligations. As a result, our business, results of operations, and financial condition may be adversely affected.

We may need additional capital, and we may be unable to obtain such capital in a timely manner or on acceptable terms, or at all.

We may require additional capital beyond those generated by the Global Offering from time to time to grow our business, better serve our customers, develop and enhance our offerings, and improve our operating infrastructure. Accordingly, we may need to sell additional equity or debt securities or obtain a credit facility. Future issuances of equity or equity-linked securities could significantly dilute our existing Shareholders, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our H Shares. The incurrence of debt financing would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our Shareholders.

Our ability to obtain additional capital is subject to our business performance, industry developments and general economic conditions. We may be unable to obtain additional capital in a timely manner or on acceptable terms, or at all. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our business growth could be significantly impaired, and our business and prospects could be adversely affected.

We are subject to various risks relating to third-party payments, including potential clawback claims and money laundering concerns.

During the Track Record Period, certain of our customers settled their payments with us through third-party payors. In 2023, 2024 and 2025, payments received from third-party payors was RMB30.8 million, RMB34.0 million and RMB25.8 million, respectively, accounting for 4.2%, 4.3% and 3.1% of our total revenue for the same years, respectively. We generally seek to enter into entrusted payment agreements with the third-party payors or tri-party payment agreements with the payors together with our customers for such transactions. We might be subject to various risks relating to such payment arrangements, such as (1) possible claims from such payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors, and (2) potential money laundering risks as we, in certain occasions, may have limited knowledge about the source and purpose of the funds utilized by the third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of third-party payments, we will have to spend substantial financial and managerial resources to defend against such claims and legal proceedings, and we may be forced to comply with the court ruling and return the payments for the products that we sold or the services that we provided.

The discontinuation of any preferential tax treatment available to us could adversely affect our results of operations and financial condition.

During the Track Record Period, our business benefited from preferential enterprise income tax treatments available to “high and new technology enterprises” (高新技術企業) (the “HNTEs”), small-and-micro enterprises, as well as enterprises encouraged under the Western Development policy in China. In addition, qualified research and development expenses are eligible for deduction when calculating assessable profits for income tax purpose. Our tax effect of additional deduction for qualified research and development expenditures were RMB5.4 million, RMB6.1 million and RMB6.2 million in 2023, 2024 and 2025, respectively. See “Financial Information — Discussion of Major Profit or Loss Items — Income Tax Expense.” In the event the preferential tax treatments are discontinued or not verified by the local tax authorities, and the affected entity fails to obtain preferential tax treatments based on other qualifications, it will become subject to the standard PRC enterprise income tax. There is no assurance that we will continue to be qualified to enjoy the above-mentioned preferential tax treatments, or such treatments will not change in the future, which may have a negative impact on our business, results of operations and financial condition.

We historically received government grants and we may not receive such grants or subsidies in the future.

We have received government grants primarily to support our business development and to award our contributions to local economies. We recognized government grants of RMB18.3 million, RMB13.4 million and RMB14.1 million in our consolidated statements of profit or loss and other comprehensive income in 2023, 2024 and 2025, respectively. We cannot assure you that favorable government policies will continue. In addition, the timing, amount and conditions of government grants are within the sole discretion of the governmental authorities. Governmental authorities may require us to perform certain contractual obligations before we could receive such grants, and we cannot assure you that we could always fully satisfy these conditions or perform the obligations. In such cases, the governmental authorities may cease providing grants to us or even require us to repay part or all of the grants we previously received. Any reduction, elimination, repayment or other negative trends in government grants could adversely affect our business, results of operations and financial condition.

We face certain legal and regulatory risks relating to labor-related laws and regulations, which may adversely affect our business and our results of operations.

Pursuant to the relevant PRC laws and regulations, employers are obligated to contribute to the social insurance and housing provident funds for their employees. During the Track Record Period, we did not make adequate social insurances and housing provident fund contributions for certain employees. In addition, we engaged third-party human resource agencies to make social insurance and housing provident fund contributions for certain employees during the Track Record Period. We estimate that the shortfall of social insurance and housing provident fund contributions in 2023, 2024 and 2025 was approximately RMB18.6 million, RMB20.7 million and RMB21.4 million, respectively. As advised by our PRC Legal Advisors, if any of the relevant social insurance and housing provident fund authorities is of the view that the contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period, plus applicable late fees and fines.

We cannot assure you that we will not be required to pay the shortfall and late fees or that fines will not be imposed on us. In addition, if the third-party human resource agencies we engaged fail to fulfill their obligations to make social insurance and housing provident fund contributions for the relevant employees, or if such arrangements are challenged by relevant regulatory authorities, we may be subject to additional contribution obligations, late fees and/or penalties imposed by relevant regulatory authorities for failing to discharge our obligations as an employer or be ordered to rectify. We might also be subject to potential labor disputes arising from such arrangements with the relevant employees. The occurrence of any of the foregoing could have a material adverse effect on our business, results of operations and financial condition. See "Business — Legal Proceedings and Compliance — Compliance — Social Insurance and Housing Provident Funds" for details.

On July 31, 2025, the Supreme People's Court of the PRC issued the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)) (the "Interpretation"), which takes effect from September 1, 2025. Pursuant to the Interpretation, it is a statutory obligation on both the employers and employees to participate in the social insurance. Any arrangement not to participate in social insurance, either by unilateral undertaking or mutual agreement, is invalid. Furthermore, the Interpretation specifies that if the employee terminates the labor contract on the grounds that the employer has failed to make social insurance contributions as required by law, and claims economic compensation from the employer, the courts shall uphold the claim. New regulations or new interpretations of existing regulations may impose additional obligations on us, or otherwise increase our compliance costs and expose us to potential penalties and fines.

Furthermore, pursuant to the Labor Contract Law and the relevant PRC laws and regulations, dispatched workers are only intended to be a supplementary form of employment, the number of which shall not exceed 10% of the employer's total workforce. We have partnered with third-party agencies from time to time to support the management and operations of parking facilities, and some historical outsourcing contracts may, upon a purely textual reading, be regarded as labor dispatch by the relevant labor administrative authorities. We cannot assure you that our plan to contain the number of dispatched workers and stay compliant would be effective in keeping the number of dispatched workers below the 10% threshold as we continue to develop and expand our business. If the number of our dispatched workers exceeds 10% in the future, we may be ordered to rectify within a specified period of time, and may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold, which could have an adverse effect on our business, results of operations and financial condition. See "Business — Employees — Labor Dispatch" for details.

Failure to protect our leasehold interests could adversely affect our business operations.

As of the Latest Practicable Date, lessors of three of our leased properties primarily used as our office premises with a total gross floor area of approximately 1,134 square meters failed to provide property ownership certificates or other relevant certificates regarding their legal rights to lease such properties. As a result, the relevant lease agreements may be deemed invalid, or we may face challenges from the property owners or other third parties regarding our right to occupy the premises. Furthermore, if the landlords fail to perform its obligations under the lease agreements between the landlords and us due to any reason, including but not limited to its own non-compliance with relevant laws and regulations, demolition or any other unforeseeable events, we may be unable to continue using such properties. We may be forced to relocate the affected office premises or production facilities and incur additional expenses accordingly. If we fail to find suitable replacement sites in a timely manner or on terms commercially acceptable to us, our business and results of operations could be adversely affected. See "Business — Properties — Title Defects" for details.

As of the Latest Practicable Date, 57 lease agreements of our leased properties had not been registered with the PRC government authorities as required. While the lack of registration will not affect the validity of the lease agreements under PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. The aggregate maximum potential penalties for failing to complete the registration within a prescribed period in relation to the 57 lease agreements would be approximately RMB0.6 million. See "Business — Properties — Non-registration" for details.

We may incur significant compliance costs for our efforts to fully comply with laws and regulations applicable to our business.

Our business is subject to regulation by various governmental agencies in China, including agencies responsible for monitoring and enforcing compliance with various legal obligations relating to privacy and data protection, intellectual property, employment and labor, governmental trade, import and export controls, anti-corruption and anti-bribery, and tax. Meeting these regulatory requirements may involve significant compliance efforts and costs, and any non-compliance could subject us to rectification measures, fines, business restrictions or other administrative actions. For example, we had been subject to an administrative penalty of RMB450 for failing to timely file individual income tax withholding materials, which had been fully paid. In addition, laws and regulations of various regions in China generally require operators of business parking facilities to file and/or connect to relevant information management platforms, or, in certain cities such as Shenzhen, to obtain operation permits before commencement of business. Despite our efforts, among a total of 93 parking facilities operating under the contract operation model as of the Latest Practicable Date, 15 parking facilities had not yet been filed, connected or granted operation permits as required due to various reasons. As a result, we may be subject to fines and penalties generally ranging from RMB200 to RMB30,000 per parking facility in accordance with applicable local regulations. The aggregate maximum potential penalties for failing to file and/or connect our parking facilities to relevant platforms would be approximately RMB0.4 million. See "Business — Legal Proceedings and Compliance — Compliance — Filing of Parking Facilities" for details. Furthermore, electric vehicle charging stations are currently subject to mandatory inspection, and local governments may formulate relevant and specific methods. If the charging stations are used without having been applied for inspection as required or are continued to be used after failing inspection, the competent authority has the right to order them to stop using the charging stations and impose a fine of no more than RMB1,000. As of the Latest Practicable Date, 858 out of our 878 charging station projects, comprising 4,725 out of a total of 4,840 charging stations, had been submitted to the mandatory inspection platform, and the remaining 20 newly added projects involving 115 charging stations were in the process of preparing the necessary documentation for submission as soon as practicable. The aggregate maximum potential penalties for failing to submit for inspection in relation to the 115 charging stations would be approximately RMB0.1 million. Among the submitted projects, 565 projects involving 3,045 stations were still undergoing inspection due to the varying inspection standards across different localities and the time required for acceptance and completion of the inspection. We cannot assure you that they will successfully pass the mandatory inspection. We may be ordered to stop using them or be fined, any of which may materially and adversely affect our business, results of operations and financial condition. See “Business — Legal Proceedings and Compliance — Compliance — Inspection of Charging Stations” for details.

In certain jurisdictions, these regulatory requirements may be different or more stringent than in China. These laws and regulations may increase our compliance costs and subject us to government actions, fines and penalties, operational restrictions, or loss of contractual or intellectual property rights.

Our compliance efforts will likely result in a diversion of management’s attention and resources and incur significant costs. If we fail to respond to regulatory changes effectively and in a timely manner, or fail to defend ourselves in relevant legal or administrative proceedings, our business, results of operations, and financial condition could be adversely affected.

We have been involved, and may continue to be involved, in litigation, legal or contractual disputes, governmental investigations or administrative proceedings, which may divert our management’s attention and adversely affect our business, results of operations and financial condition.

We have been, and may continue to be, subject to disputes and various legal and administrative proceedings in the ordinary course of our business. These may concern issues relating to, among others, labor disputes, licenses and permits relating to our daily business operations, and contract disputes. Any such claim or proceeding against us, with or without merit, may be expensive, time-consuming and disruptive to our operations and distracting to management. In addition, even if we ultimately succeed in such disputes or proceedings, negative publicity may arise therefrom and materially and adversely affect our reputation and business. If one or more legal or administrative matters were resolved against us, unfavorable outcomes could result in significant compensatory or punitive monetary damages, disgorgement of revenue or profits, corporate remedial measures, injunctive relief or specific performance that could materially and adversely affect our business, results of operations and financial condition.

Our limited insurance coverage could expose us to significant costs and business disruption.

We face various risks in connection with our business and may lack adequate insurance coverage or have no relevant insurance coverage. In line with general market practice, we do not maintain any business interruption insurance or keyman life insurance, which are not mandatory under PRC laws. While we maintain insurance policies covering our production facilities, buildings and operational equipment used in our production activities, we do not maintain insurance policies covering damages to our technological infrastructure such as servers, network and databases. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our business, results of operations and financial condition. In addition, there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all, and the compensated amount can be significantly less than our actual loss.

We could be adversely affected as a result of any sales we make to certain countries that are, or become subject to, sanctions and monetary penalties administered by the United States, the European Union, the United Kingdom, Australia and other relevant sanctions authorities.

The United States and other jurisdictions or organizations, including the European Union, the United Kingdom and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organizations within such countries.

During the Track Record Period, we sold our smart parking systems to the Relevant Regions and were therefore subject to International Sanctions. The revenue generated from our sales to the Relevant Regions were RMB1.9 million, RMB52.5 million and RMB20.7 million, respectively, in 2023, 2024 and 2025, representing 0.3%, 6.6% and 2.5% of our total revenue for the same years, respectively. See "Business — Business Activities Relating to Countries Subject to International Sanctions" for details. We will continue our activities in Hong Kong in accordance our sanctions internal controls measures in place. As of the Latest Practicable Date, we had ceased our business activities in Iran and Russia in light of the uncertainties and potentials risks in relation to International Sanctions. Sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of Sanctioned Persons. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk or our business will conform to the expectations and requirements of the authorities of U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of the United States, the European Union, the United Kingdom, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose or provides a basis for a sanctions designation of us.

On October 28, 2024, the U.S. Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "Final Rule"), which became effective on January 2, 2025. The Final Rule implements a regulatory framework for certain U.S. investments into China (including Hong Kong and Macau) in entities engaged in activities involving sensitive technologies critical to national securities in three sectors, namely, (1) semiconductors and microelectronics, (2) quantum information technologies, and (3) AI systems with applications that pose national security risks (collectively, "Covered Foreign Persons"). Under the Final Rule, U.S. persons are prohibited from undertaking certain investments in Covered Foreign Persons, or are required to make notifications in respect of certain investments in Covered Foreign Persons. Based on our currently launched products and solutions and the advice of our International Sanctions Legal Advisors as detailed in "Regulatory Overview — U.S. Outbound Investment Security Program Regulations," our Directors are of the view that the Final Rule is not expected to have any material impact on our operations, financial performance or investment prospects. However, we cannot guarantee that the rule will not negatively affect overall investor sentiment and potentially discourage investments in our Company.

We are exposed to the risks associated with doing business internationally.

As we plan to expand our presence in overseas markets, such as Southeast Asian and the Middle East markets, we may have to adapt our business model to the local markets due to various legal requirements and market conditions. Our international operations and expansion efforts may result in increased costs and are subject to a variety of risks, including intensified competition, uncertainties surrounding the enforcement of our intellectual property rights, unfamiliar market conditions, credit and collectability risk on our trade receivables, the complexity of compliance with PRC and foreign laws and regulations, potential adverse movements of currency exchange rates, increased tariffs and trade barriers, geopolitical frictions, and a geographically and culturally diverse workforce and customer base. For example, the recent regional conflicts and war in the Middle East may adversely affect our ability to develop and maintain business relationships with local customers, and may cause delays or disruptions to the implementation of our business plans in such market. We may also adjust the pace and scope of our expansion in response to evolving geopolitical and market conditions. Failure to overcome any of these challenges could harm our business.

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

Our business could be materially and adversely affected by natural disasters, outbreaks of contagious diseases, or other force majeure events. For example, in response to the COVID-19 pandemic, we had implemented mitigation measures from time to time to contain its spread. We had to cancel or limit certain of our business activities. For example, in 2022, we experienced delays in the dispatch, deployment, commissioning and acceptance processes for some of our projects, which further led to delays in revenue recognition. In addition, we temporarily closed our offices and restricted employee travels, which affected our customer intake and other operations to certain extent. The impact from COVID-19 might also adversely affect our customers' ability to pay and customer demand for our solutions. We did not incur any material costs or expenses directly related to pandemic prevention measures. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, the COVID-19 outbreak had not had a material adverse effect on our business, results of operations and financial condition. However, any future impact caused by the COVID-19 pandemic will depend on its subsequent development.

In addition, natural disasters, such as fires, earthquakes, hurricanes, floods, tornadoes and unusual weather conditions, power outages, telecommunications failures, sabotages, other pandemic outbreaks, terrorist acts, disruptive global political events, or similar disruptions could materially and adversely affect our business operations and financial performance. We cannot assure you that any backup system or other mitigating measures will be adequate to protect us from the effects of any of these events, which may give rise to server interruptions, breakdowns, system failures or internet failures, and could cause the inability to transmit data, loss or corruption of data or malfunctions of software or hardware. The continuance of any of these events could increase the costs associated with our operations and reduce our ability to operate our business at intended capacities, thereby reducing revenue and profitability.

RISKS RELATING TO CONDUCTING BUSINESS IN CHINA

Changes in the economic, political and social conditions in the jurisdictions in which we operate or the global economic environment could adversely affect our business, results of operations, financial condition, cash flows and prospects.

We primarily operate in and derive substantially all of our revenue from China. Our business, results of operations and financial condition are affected by the economic, political and social conditions in China. In particular, factors such as corporate and government spending, business investment, level of economic development, and resource allocation could affect the growth of our business. We cannot predict the changes in economic, political and social conditions in the future and the impact of the new government policies on our business and prospects in jurisdictions in which we operate. Moreover, the global macroeconomic environment has been facing challenges and uncertainties recently. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations, financial condition and prospects.

Laws and regulations of currency conversion, and restrictions on the remittance of Renminbi into and out of China, may limit our ability to pay dividends and other obligations, and adversely affect the value of your investment.

There are laws and regulations of the convertibility of Renminbi into foreign currencies. We receive the vast majority of our revenue in Renminbi. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments to certain suppliers, if any. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency, or otherwise satisfy our foreign currency denominated obligations. Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. If the foreign exchange regulatory policies prevent us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

Fluctuations in exchange rates may result in foreign currency exchange losses and may have a material adverse effect on your investment.

During the Track Record Period, a significant portion of our revenue and expenditures were denominated in Renminbi, and a significant portion of our financial assets were also denominated in Renminbi. We had net foreign exchange gain of RMB5,000 in 2025, and net foreign exchange loss of RMB91,000 and RMB0.3 million in 2023 and 2024, respectively. Any significant change in the exchange rates of the Hong Kong dollar against Renminbi may materially and adversely affect our cash flows, earnings and financial position, and the value of, and any dividends payable on, our H Shares in Hong Kong dollars. For instance, a further appreciation of Renminbi against the Hong Kong dollar would make any new Renminbi-denominated investments or expenditures more costly to us, to the extent that we need to convert Hong Kong dollars into Renminbi for such purposes. An appreciation of Renminbi against the Hong Kong dollar would also result in foreign currency translation losses for financial reporting purposes when we translate our Hong Kong dollar denominated financial assets into Renminbi, including proceeds from the Global Offering, as Renminbi is the functional currency of our subsidiaries inside China. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the purpose of making payments for dividends on our H Shares or for other business purposes, appreciation of the Hong Kong dollar against Renminbi would have a negative effect on the Hong Kong dollar amount available to us.

Our operations are subject to and may be affected by changes in tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. We cannot assure you that our internal control measures in relation to accounting regularities are effective, or that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our reputation, business, results of operations and financial condition. Furthermore, tax laws and regulations may be adjusted or changed in the future. For example, tax authorities may adjust tax rates and tax benefits, revise deduction standards, modify invoicing requirements or tighten administrative practices, which may materially increase our tax burden or require us to modify existing business practices. Further adjustments or changes to PRC tax laws and regulations, as well as to related interpretation, application or administrative practices, could have an adverse effect on our business, results of operations and financial condition.

Holders of our H Shares may be subject to PRC income tax obligations.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividend payments and gains realized upon the sale or other disposition of H Shares derived in China under the Individual Income Tax Law of the PRC and its implementation guidelines. However, pursuant to the relevant governmental circulars, the income gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempted from individual income tax for the time being. Similarly, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax. However, relevant laws and regulations and the related practices may be changed, which could result in levying income tax on non-PRC resident individual holders on dividends and gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the relevant rules, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the PRC tax laws and regulations may change, and the interpretation and application of applicable PRC tax laws and regulations may also change accordingly, which may adversely affect the value of your investment in our H Shares.

You may have limited resources in effecting service of legal process or enforcing foreign judgments against us and our Directors and management.

We are a company incorporated under the PRC laws, and all our assets and subsidiaries are currently located in mainland China and Hong Kong. All of our Directors and senior management reside within mainland China or Hong Kong. The assets of these Directors and senior management also may be located within China. As a result, it may not be possible to effect service of process upon our Directors and senior management outside China. It may be difficult or impossible for you to effect service of process upon us or these individuals, or to bring an action against us or against these individuals in the event that you believe your rights have been infringed under the applicable securities laws or otherwise.

On January 18, 2019, the Supreme People's Court of the PRC and the government of Hong Kong signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2019 Arrangement"), which took effect on January 29, 2024. The 2019 Arrangement seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between mainland China and Hong Kong, based on criteria other than a written bilateral choice of court agreement. Under the 2019 Arrangement, any party concerned may apply to the relevant PRC or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases, subject to the conditions set forth in the 2019 Arrangement. However, we cannot assure you that all final judgments will fully fall into the scope of 2019 Arrangement and thus be recognized and effectively enforced by the relevant PRC and Hong Kong court.

Payment of dividends is subject to restrictions under PRC law.

Under PRC laws, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As the calculation of distributable profits under PRC GAAP is different from the calculation under IFRSs in certain respects, we may not have sufficient, if any, distributable profits to enable our Company to make dividend distributions to its shareholders in the future, including periods for which our

Company's financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years. Moreover, we may not receive sufficient distributions from our PRC subsidiaries. Restrictions on dividend payment could have a negative impact on our ability to make dividend distributions to our Shareholders in the future.

RISKS RELATING TO THE GLOBAL OFFERING

An active trading market for our H Shares may not develop or be sustained.

Prior to the completion of the Global Offering, there has been no public market for our H Shares. We cannot assure you that an active trading market for our H Shares with adequate liquidity will develop or be sustained following the completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Sponsor-OCs (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our H Shares will be traded following the completion of the Global Offering. The market price of our H Shares may drop below the Offer Price at any time following the Global Offering.

We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option and the H Shares to be converted from Domestic Shares). A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the H Shares will not decline following the Global Offering. If an active public market for our H Shares does not develop following the completion of the Global Offering, the market price and liquidity of our H Shares could be materially and adversely affected.

The price and trading volume of our H Shares may be volatile, which could lead to substantial losses to investors.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

While investors subscribing Offer Shares in the Global Offering are not subject to any restrictions on the disposal of the H Shares they subscribed (except as disclosed in "Information about this Prospectus and the Global Offering — Restrictions on Offers and Sales of the H Shares"), they may have existing arrangements or agreements to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the Global Offering for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the Listing Date.

Any sale of the H Shares subscribed by such investors pursuant to such arrangement or agreement could adversely affect the market price of our H Shares and any sizeable sale could have a material and adverse effect on the market price of our H Shares and could cause substantial volatility in the trading volume of our H Shares.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

The Offer Price of the Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. We cannot assure you that if we were to immediately liquidate after the Global Offering, any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

The industry information and statistics in this prospectus obtained from various government sources have not been independently verified by us.

We have derived certain information and statistics in this prospectus, particularly the section headed "Industry Overview," from the report prepared by China Insights Consultancy, which was commissioned by us, and from various official government publications and other publicly available publications. We believe that the sources of such information are appropriate, and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Underwriters, any of our or their respective directors, officers or representatives, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy. The statistics from government sources may not be prepared on the same basis or with the same degree of accuracy as statistics in other publications or jurisdictions, and you should not place undue reliance on them. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our H Shares, the market price for H Shares and trading volume could decline.

The trading market for our H Shares will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our H Shares, the market price for our H Shares would likely decline.

If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price of or trading volume for our H Shares to decline.

You should read the entire prospectus carefully and only rely on the information included in this prospectus to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H Shares or the Global Offering.

There had been, prior to the publication of this prospectus, and there may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering. We have not authorized the disclosure of any information concerning the Global Offering in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

In preparation for the Global Offering, we have applied to the Stock Exchange for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, all applicants applying for a primary listing on the Stock Exchange must have sufficient management presence in Hong Kong. This would normally mean that at least two of the applicant's executive directors must be ordinarily resident in Hong Kong.

Our Company's business operations and assets are primarily located outside Hong Kong. Our Company's executive Directors are based in the PRC as our Board believes it is more effective and efficient for our executive Directors to be based in a location where our substantial operations are located. Our Company therefore does not, and in the near future will not, maintain management presence in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that our Company implements the following arrangements:

(1) We have appointed Mr. Sun and Ms. Wu Yiting (吳怡婷) as our authorized representatives for the purpose of Rule 3.05 of the Listing Rules. They will serve as the principal channel of communication with the Stock Exchange and make themselves readily available to communicate with the Stock Exchange. We have also appointed Ms. So Lai Shan (蘇麗珊) as our alternate authorized representative. Ms. So Lai Shan resides in Hong Kong and each of Mr. Sun, Ms. Wu Yiting and Ms. So Lai Shan can be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matters within a reasonable period of time upon the request of the Stock Exchange. The contact details of our authorized representatives have been provided to the Stock Exchange.

(2) All Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including phone numbers and email addresses, to our authorized representatives and alternate authorized representative and to the Stock Exchange. In the event that a Director expects to be traveling or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation or other contact information to our authorized representatives and alternate authorized representative to ensure that each of our authorized representatives and alternate authorized representative will be able to contact all our Directors promptly at all times if and when the Stock Exchange wishes to contact our Directors.

(3) We have appointed CMBC International Capital Limited as our compliance advisor in accordance with Rule 3A.19 of the Listing Rules, which will serve as an additional and alternative channel of communication with the Stock Exchange in addition to our authorized representatives and alternate authorized representative. The compliance advisor will have reasonable access, at all times during the term of their appointment, to our authorized representatives, Directors and other officers of our Company, participate in the communication between the Stock Exchange and our Company and answer inquiries from the Stock Exchange.

(4) Any meeting between the Stock Exchange and our Directors will be arranged through our authorized representatives, alternate authorized representative or our compliance advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives, alternate authorized representative and our compliance advisor.

(5) We intend to retain our Hong Kong legal advisors on on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the Listing.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who possesses the necessary academic or professional qualifications or relevant experience, and is therefore capable to discharge the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(1) a member of The Hong Kong Chartered Governance Institute;

(2) a solicitor or a barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(3) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual's "relevant experience":

(1) length of employment with the issuer and other issuers and the roles he/she has undertaken;

(2) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(3) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(4) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Wu Yiting as our joint company secretary, with effect from the Listing Date. Ms. Wu Yiting joined our Group in March 2010 and possesses relevant understanding and knowledge relating to the business operations and corporate culture of our Group. In her capacity as our Board secretary, Ms. Wu Yiting has actively participated in the preparation of the application for the Listing and possesses experience in matters relating to our Board and corporate governance of our Company. Having considered Ms. Wu Yiting's expertise and backgrounds, our Directors consider that she is capable of discharging the functions of company secretary and is suitable person to perform such role.

As Ms. Wu Yiting currently does not possess the qualifications under Rule 3.28 of the Listing Rules, and may not be able to fulfill the requirements of the Listing Rules on her own, we have appointed Ms. So Lai Shan, an associate member of the Hong Kong Chartered Governance Institute, who is qualified under Rule 3.28 of the Listing Rules, to act as the other joint company secretary with effect from the Listing Date and to work closely with and provide assistance to Ms. Wu Yiting for an initial period of three years commencing from the Listing Date.

The following arrangements have been, or will be, put in place to assist Ms. Wu Yiting in acquiring the qualifications and experience as the joint company secretary of our Company required under Rules 3.28 and 8.17 of the Listing Rules:

(1) In the course of the preparation of the application for the Listing, Ms. Wu Yiting has been provided with a memorandum and has attended a training seminar on the respective obligations of our Directors and senior management and our Company under the relevant Hong Kong laws and the Listing Rules provided by our Hong Kong legal advisors.

(2) In addition to the minimum training requirements under Rule 3.29 of the Listing Rules, our Company will ensure that Ms. Wu Yiting continues to have access to relevant training and support to familiarize herself with the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Furthermore, our Company will ensure that Ms. Wu Yiting and Ms. So Lai Shan will seek and have access to the advice from our Hong Kong legal advisors and other professional advisors as and when required.

(3) Ms. So Lai Shan will assist Ms. Wu Yiting to acquire the "relevant experience" as required under Note 2 to Rule 3.28 of the Listing Rules and to discharge her duties as company secretary. Ms. Wu Yiting will be assisted by Ms. So Lai Shan for an initial period of three years commencing from the Listing Date. As part of the arrangement, Ms. So Lai Shan will act as one of the joint company secretaries and communicate regularly with Ms. Wu Yiting on matters relating to corporate governance, the Listing Rules as well as other laws and regulations which are relevant to our Company. Ms. So Lai Shan will also assist Ms. Wu Yiting in organizing Board meetings and Shareholders' meetings as well as other matters of our Company which are incidental to the duties of a company secretary.

(4) Our Company has appointed the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, which will act as our additional channel of communication with the Stock Exchange and provide professional guidance and advice to us and our joint company secretaries as to compliance with the Listing Rules and all other applicable laws and regulations.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when Ms. So Lai Shan ceases to provide such assistance or ceases to meet the requirements under Rule 3.28 of the Listing Rules, or if there are material breaches of the Listing Rules by our Company during the three-year period from the Listing Date. Before the expiration of the three-year period, the qualifications of Ms. Wu Yiting will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We must demonstrate and seek the Stock Exchange's confirmation that Ms. Wu Yiting, having had the benefit of Ms. So Lai Shan's assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See "Directors and Senior Management" for the biographical details of Ms. Wu Yiting and Ms. So Lai Shan.

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

FILING PROCEDURES WITH THE CSRC

The CSRC issued notice of filing on April 2, 2026 for the Global Offering and the Listing on the Stock Exchange.

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering. For applications under the Hong Kong Public Offering, this prospectus contains the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of 1,011,240 H Shares initially offered and the International Offering of 9,101,040 H Shares initially offered (subject, in each case, to re-allocation on the basis under the section headed "Structure of the Global Offering").

The Listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is underwritten by the Hong Kong Underwriters on a conditional basis, with one of the conditions being that the Offer Price is agreed between the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) and us. The International Offering is managed by the Overall Coordinators. The International Underwriting Agreement is expected to be entered into on or about the Price Determination Date, subject to determination of the pricing of the H Shares and agreement on the Offer Price between the Sponsor-OCs (for themselves and on behalf of the Underwriters) and us. For details of the Underwriters and the underwriting arrangements, please refer to the section headed "Underwriting" in this prospectus.

The H Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information in this prospectus is correct as at any subsequent time.

For details of the structure of the Global Offering, including its conditions, please refer to the section headed "Structure of the Global Offering" in this prospectus. For the procedures for applying for our H Shares, please refer to the section headed "How to Apply for Hong Kong Offer Shares". For details of the arrangements relating to the Over-allotment Option and stabilization, please refer to the section headed "Structure of the Global Offering".

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set forth in the section headed "Structure of the Global Offering."

INFORMATION ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering. Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the H Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus set out the terms and conditions of the Hong Kong Public Offering.

RESTRICTIONS ON OFFERS AND SALES OF THE H SHARES

Each person acquiring the H Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of the H Shares to, confirm that he is aware of the restrictions on offers of the H Shares described in this prospectus.

No action has been taken to permit a public offering of the H Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from Domestic Shares.

Our Domestic Shares may be converted to H Shares after obtaining the approval of the CSRC or the authorized approval authorities of the State Council, details of which are set out in the section headed "Share Capital."

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if the permission for the H Shares to be listed on the Stock Exchange pursuant to this prospectus has been refused before the expiration of three weeks from the date of the closing of the Global Offering or such longer period not exceeding six weeks as may, within the said three weeks, be notified to us by or on behalf of the Stock Exchange, then any allotment made on an application in pursuance of this prospectus shall, whenever made, be void.

No part of our Shares is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares (including any H Share which may be issued pursuant to the exercise of the Over-allotment Option) on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made for the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisor for details of those settlement arrangements and how such arrangements will affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares."

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

Our principal register of members will be maintained in the PRC and our Hong Kong register of members will be maintained by our H Share Registrar, Tricor Investor Services Limited in Hong Kong. Our register of members will also be maintained by us at our legal address in the PRC.

All Offer Shares will be registered on our Hong Kong register of members. Dealings in the H Shares registered on our Hong Kong register of members will be subject to Hong Kong stamp duty.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not close associates (as such term is defined in the Listing Rules) of any of our Directors or any existing Shareholders or a nominee of any of the foregoing.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the H Shares or exercising any rights attaching to the H Shares. We emphasize that none of our Company, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Sponsors, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the H Shares or your exercise of any rights attaching to the H Shares.

EXCHANGE RATE CONVERSION

Unless otherwise specified, this prospectus contains certain translations for the convenience purposes at the following rates:

US$1.0000 : HK$7.8345
RMB0.8705 : HK$1.0000
US$1.0000 : RMB6.8198

No estimation is made that any amounts in HK$, RMB and US$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail unless otherwise stated. However, the English names of the PRC national, entities, departments, facilities, certificates, titles, laws, regulations (including certain of our subsidiaries) and the like included in this prospectus are translations of their Chinese names and are included for identification purposes only. If there is any inconsistency, the names in their original languages shall prevail.

COMMENCEMENT OF DEALING IN THE H SHARES

Dealings in the H Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Friday, June 26, 2026. The H Shares will be traded in board lots of 60 H Shares each and all Offer Shares will be registered on the H Share Registrar in order to enable them to be traded on the Stock Exchange.

OTHERS

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Sun Longxi (孫龍喜)	Room 222, No. 141 Lianyueli Siming District, Xiamen Fujian PRC	Chinese
Mr. Huang Jinlian (黃金練)	Room 1005, No. 297 Hubin East Road Siming District, Xiamen Fujian PRC	Chinese
Non-executive Directors		
Mr. Wang Zhongsheng (王忠生)	Room 508, Block 3 Keytop Production Base, No. 19 Hongxi Road Xiang'an District, Xiamen Fujian PRC	Chinese
Mr. Ye Hua (葉樺)	2-F4-2#, No. 50 Zourong Road Yuzhong District Chongqing PRC	Chinese
Independent non-executive Directors		
Dr. Li Xiaolin (李小琳)	Room 503, West Unit, No. 4–3 Beixiu Village Gulou District, Nanjing Jiangsu PRC	Chinese
Dr. Su Xinlong (蘇新龍)	Room 101, No. 25 Xiamen University Seaside East District Siming District, Xiamen Fujian PRC	Chinese
Mr. Chen Linwei (陳琳偉)	2/F, 38 Tong Fuk Tsuen Lantau Island New Territories Hong Kong	Chinese (Hong Kong)

For the biographies and other relevant information of our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong

	CMBC International Capital Limited 34/F, One Exchange Square 8 Connaught Place Central Hong Kong
Sponsor-OCs	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	CMBC Securities Company Limited 34/F, One Exchange Square 8 Connaught Place Central Hong Kong
Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	CMBC Securities Company Limited 34/F, One Exchange Square 8 Connaught Place Central Hong Kong
	SDIC Securities (Hong Kong) Limited 39/F, One Exchange Square Central Hong Kong
	Skyvast Securities Limited Flat 3304, 33/F Bank of America Tower 12 Harcourt Road Central Hong Kong
Joint Global Coordinator	**CMB International Capital Limited** 45/F, Champion tower 3 Garden Road Central Hong Kong
Joint Bookrunners	**CMB International Capital Limited** 45/F, Champion tower 3 Garden Road Central Hong Kong

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited
Level 6
Three Pacific Place
1 Queen's Road East
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

Somerley Capital Limited
20/F, China Building
29 Queen's Road Central
Hong Kong

Huafu International Securities Limited
Units 2603–2606, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong

Yue Xiu Securities Company Limited
Rooms Nos. 4917–4937, 49/F
Sun Hung Kai Centre
No.30 Harbour Road
Wanchai
Hong Kong

Yuen Meta (International) Securities Limited
2601, 26/F, Wanchai Central Building
89 Lockhart Road
Wanchai
Hong Kong

TFI Securities and Futures Limited
16/F, Two Pacific Place
88 Queensway
Admiralty
Hong Kong

Joint Lead Managers

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Futu Securities International (Hong Kong) Limited
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Admiralty
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Shenwan Hongyuan Securities (H.K.) Limited
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Central
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Somerley Capital Limited
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Wanchai
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Yuen Meta (International) Securities Limited
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TFI Securities and Futures Limited
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Patrons Securities Limited
Unit 3214, 32/F, Cosco Tower
183 Queen's Road Central
Sheung Wan
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New Industrial Financial Holdings Limited
Room 22, 5/F, United Centre
95 Queensway
Admiralty
Hong Kong

Capital Market Intermediaries	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	CMBC Securities Company Limited 34/F, One Exchange Square 8 Connaught Place Central Hong Kong
	SDIC Securities (Hong Kong) Limited 39/F, One Exchange Square Central Hong Kong
	Skyvast Securities Limited Flat 3304, 33/F Bank of America Tower 12 Harcourt Road Central Hong Kong
	CMB International Capital Limited 45/F, Champion tower 3 Garden Road Central Hong Kong
	Futu Securities International (Hong Kong) Limited 34/F, United Centre No. 95 Queensway Admiralty Hong Kong
	Shenwan Hongyuan Securities (H.K.) Limited Level 6 Three Pacific Place 1 Queen's Road East Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	Somerley Capital Limited 20/F, China Building 29 Queen's Road Central Hong Kong
	Huafu International Securities Limited Units 2603–2606, 26/F, Infinitus Plaza 199 Des Voeux Road Central Sheung Wan Hong Kong

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Rooms Nos. 4917–4937, 49/F, Sun Hung Kai Centre
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New Industrial Financial Holdings Limited
Room 22, 5/F, United Centre
95 Queensway
Admiralty
Hong Kong

Legal Advisors to the Company

as to Hong Kong and U.S. laws:
Han Kun Law Offices LLP
Rooms 4301–10, 43/F
Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

as to PRC law:
King & Wood
28th Floor, China Resources Tower
2666 Keyuan South Road
Nanshan District
Shenzhen, Guangdong
PRC

as to PRC cybersecurity and data privacy protection laws:
AllBright Law Offices
9, 11/F–12/F, Shanghai Tower
No. 501 Yincheng Middle Road
Pudong New Area
Shanghai
PRC

	as to International Sanctions laws: **Hogan Lovells** 11th Floor, One Pacific Place 88 Queensway Hong Kong
Legal Advisors to the Joint Sponsors and the Underwriters	*as to Hong Kong and U.S. laws:* **Paul Hastings (Hong Kong) LLP** 22/F, Bank of China Tower 1 Garden Road Central Hong Kong
	as to PRC law: **Jingtian & Gongcheng** 45/F, K. Wah Centre 1010 Huaihai Road (M) Xuhui District Shanghai PRC
Auditors and Reporting Accountants	**KPMG** *Certified Public Accountants* 8th Floor, Prince's Building 10 Chater Road Central Hong Kong
Independent Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B, Jingan International Center 88 Puji Road, Jingan District Shanghai China
Receiving Bank	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong

Registered Office in the PRC	Unit 301, No. 58 Guanri Road Xiamen Software Park Xiamen, Fujian PRC
Headquarters and Principal Place of Business in the PRC	3–4/F, No. 155 Taidong Road Siming District Xiamen, Fujian PRC
Principal Place of Business in Hong Kong	Room 1901, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company Website	**www.keytop.com.cn** (Information contained on this website does not form part of this prospectus)
Joint Company Secretaries	**Ms. Wu Yiting (吳怡婷)** Room 1401, No. 6 Qiaohongli Siming District Xiamen, Fujian PRC **Ms. So Lai Shan (蘇麗珊)** *(ACG (CS, CGP) HKACG (CS, CGP))* Room 1901, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	**Mr. Sun Longxi (孫龍喜)** Room 222, No. 141 Lianyueli Siming District, Xiamen Fujian PRC **Ms. Wu Yiting (吳怡婷)** Room 1401, No. 6 Qiaohongli Siming District, Xiamen Fujian PRC
Alternate Authorized Representative	**Ms. So Lai Shan (蘇麗珊)** Room 1901, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Nomination Committee	Dr. Li Xiaolin (*Chairperson*) Dr. Su Xinlong Mr. Sun Longxi
Audit Committee	Dr. Su Xinlong (*Chairperson*) Dr. Li Xiaolin Mr. Ye Hua

Remuneration Committee	Dr. Li Xiaolin (*Chairperson*) Dr. Su Xinlong Mr. Sun Longxi
Compliance Advisor	**CMBC International Capital Limited** 34/F, One Exchange Square 8 Connaught Place Central Hong Kong
H Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Banks	**China Merchants Bank, Xiamen Branch** 1/F, China Merchants Bank No. 18 Consulate Road Siming District, Xiamen Fujian PRC
	Bank of Communications, Xiamen Songbai Branch No. 463–1 Xianyue Road Siming District, Xiamen Fujian PRC

The information and statistics set out in this section and other sections of this prospectus were extracted from different official government publications and other sources, and from the industry report prepared by China Insights Consultancy, an independent market research and consulting company that was commissioned by us in connection with the Global Offering. We believe that the sources of such information are appropriate, and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, information and statistics from official government sources have not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Underwriters, any of our or their respective directors, officers or representatives, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

PARKING SPACE OPERATION INDUSTRY IN CHINA

Overview of China's Parking Space Operation Industry

Parking space operation refers to hardware devices installation and maintenance, software systems deployment, parking management services, and parking asset operations within parking facilities, realized through either manual labor or intelligent technologies. Previously, parking facilities were managed manually using traditional methods. With the advancement and widespread adoption of technologies, parking space operators had gradually began to adopt IoT devices to perceive massive parking-related data and subsequently realized smart parking management and asset operations through integrated hardware and software. In recent years, AI technologies have reshaped urban transportation management and parking space operations, enabling digitalization and operational enhancement.

Parking space operators in China are primarily classified as either smart or traditional in terms of business models. Smart parking space operators utilize extensive data and AI technologies to provide products and services tailored to the various needs of parking facilities. They offer a range of products and services, encompassing intelligent hardware devices, cloud-based software systems, user-end applications, and other digital hardware and software systems. Additionally, they deliver diverse smart parking management services and smart parking asset operations built upon these systems. Smart parking space operators typically generate revenue streams based on different business models, including product sales revenue, management service fees, parking fees, and value-added service fees.

Traditional parking space operators typically rely on manual labor teams such as management, cleaning and security personnel, or integrate outsourced intelligent hardware devices and software systems, management services and asset operations to renovate and operate parking facilities. Traditional operators primarily include property management companies and parking asset owners who have established their own management teams to operate parking facilities. Among them, property management companies are commissioned by parking asset owners to provide parking management services and receive fixed management service fees, or engage in parking asset operations through contracting arrangements, generating revenue from parking fees.

Analysis of Pain Points in the Development of China's Parking Space Operation Industry

- ***Supply-demand imbalance leads to parking challenges and urban congestion.*** With the development of urbanization, China's vehicle parc has reached 345.7 million vehicles by the end of 2024, while the total parking space could accommodate only 190.0 million vehicles, resulting in a vehicle-to-parking space ratio of merely 1:0.5, significantly below the guideline set forth in the Planning Guidelines for Urban Parking Facilities (城市停車設施規劃導則) issued by the PRC Ministry of Housing and Urban-Rural Development in 2015. According to the guideline, in cities with a planned population of over 500,000, the total supply of parking space should ideally accommodate between 1.1 and 1.3 times the vehicle parc; and in cities with a planned population of less than 500,000, this ratio should be between 1.1 and 1.5 times. This reveals a notable shortfall between vehicle parc and the development of parking spaces. Parking spaces may also be occupied for excessively long periods, leading to low utilization, creating a vicious cycle between road congestion and parking difficulties. This mismatch undermines traffic efficiency, raises travel costs and hinders the sustainable development of cities.

- ***Unrefined traditional operations result in low efficiency.*** Traditional parking space operators rely heavily on manual processes, resulting in low operating efficiency and under-utilization of parking facilities. The traditional approach is not only difficult to accommodate the evolving needs of parking space operations, but also results in wasted parking resources and rising operating costs.

- ***Over-reliance on single-stream business models constrains revenue potential.*** Currently, parking facilities are under-utilized and inadequately integrated with complementary infrastructures. This hinders the effective commercialization of value-added services, such as new energy vehicle ("NEV") charging, advertising and vehicle rentals. Ultimately, parking space operators find it challenging to obtain more diversified revenue streams from value-added services, limiting the industry's long-term profitability.

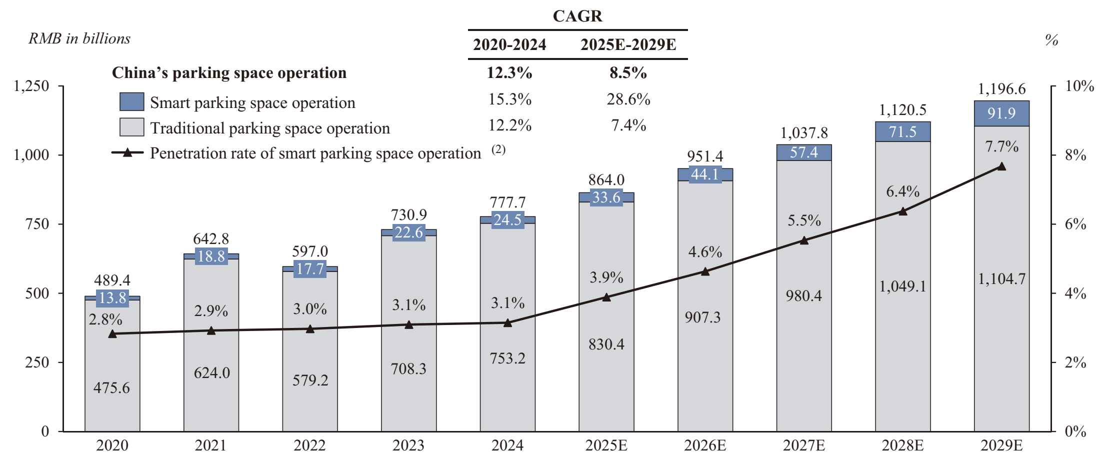
- ***Slow progress in green and low-carbon transition restricts sustainable urban mobility.*** Under China's "Dual Carbon" goals, parking space operation, as a vital component of urban transportation, also faces carbon reduction requirements. Parking facilities necessitate the deployment of smart parking systems to help reduce the time drivers spend circling for vacant spaces, thereby mitigating carbon emissions. However, the implementation of these systems often requires high capital investments. Furthermore, to support sustainable mobility, parking facilities should integrate new energy equipment, such as NEV charging stations and energy storage units. Nevertheless, integrating new energy equipment faces challenges such as compatibility issues with existing parking facilities and immature business models. These constraints have hindered the broader transition towards low-carbon operations, thereby limiting the urban transportation to achieve sustainable development.

Market Size of Parking Space Operation Industry

Driven by the demand for expanding parking facilities and optimizing the utilization of existing parking facilities, and the increasingly widespread application of AI technologies, the market size of China's parking space operation industry in terms of revenue increased from RMB489.4 billion in 2020 to RMB777.7 billion in 2024, representing a CAGR of 12.3%. Traditional parking space operators have entered the market at an early stage and developed a proven business model combining manpower and outsourced intelligent systems, and currently dominate the market. The market size of China's traditional parking space operation industry in terms of revenue reached RMB753.2 billion in 2024, accounting for 96.9% of the overall market size.

As urban parking demand continues to grow and become more complex, demand for smart and convenient parking experiences has steadily increased. In this context, traditional parking space operators and parking asset owners have been continuously procuring smart hardware and software systems from smart parking space operators to meet the upgrade needs. Meanwhile, due to the pressing need for traditional parking space operators and parking asset owners to reduce costs, improve efficiency and diversify revenue sources, they are increasingly adopting smart parking management services and smart parking asset operations provided by smart parking space operators. The number of parking spaces in China utilizing smart parking management services or smart parking asset operations has increased from approximately 8.9 million in 2020 to around 48.0 million by 2024, representing a CAGR of 52.3%, and is projected to reach approximately 200.0 million by 2029, representing a CAGR of 28.9% from 2025 to 2029. Such increase will further expand the growth potential for smart parking space operators in China. The market size of China's smart parking space operation industry in terms of revenue is expected to increase to RMB91.9 billion by 2029, representing a CAGR of 28.6% from 2025 to 2029, accounting for 7.7% of the overall parking space operation market size in 2029.

Market size[(1)] of China's parking space operation industry, in terms of revenue, by business model, 2020-2029E



Notes:

(1) The market size encompasses diverse revenue streams, including management service fees, parking fees, and revenue derived from value-added services. Furthermore, it encompasses revenue generated from the sale, installation and maintenance of hardware and software systems deployed within parking facilities.

(2) The penetration rate of smart parking space operation is calculated by dividing the market size of China's smart parking space operation industry by the total market size of China's parking space operation industry.

Source: the Ministry of Housing and Urban-Rural Development of the PRC, CIC

ANALYSIS OF CHINA'S SMART PARKING SPACE OPERATION INDUSTRY

The smart parking space operations utilize advanced technologies such as IoT, mobile payments, cloud computing, big data and AI to fulfil the demands of digitalized management and operations generated from the whole process of parking space operations. Smart parking space operations primarily encompass smart parking systems, smart parking management services and smart parking asset operations. These initiatives aim to optimize parking facility management capabilities, improve operating efficiency, and ultimately enhance parking asset value.

- ***Smart Parking System.*** By leveraging technologies such as IoT and mobile payments, smart parking systems typically include intelligent hardware devices, cloud-based software systems and user-end applications. Through deployment of smart parking systems, various parking facilities can be transformed and upgraded to enable remote sensing and control.

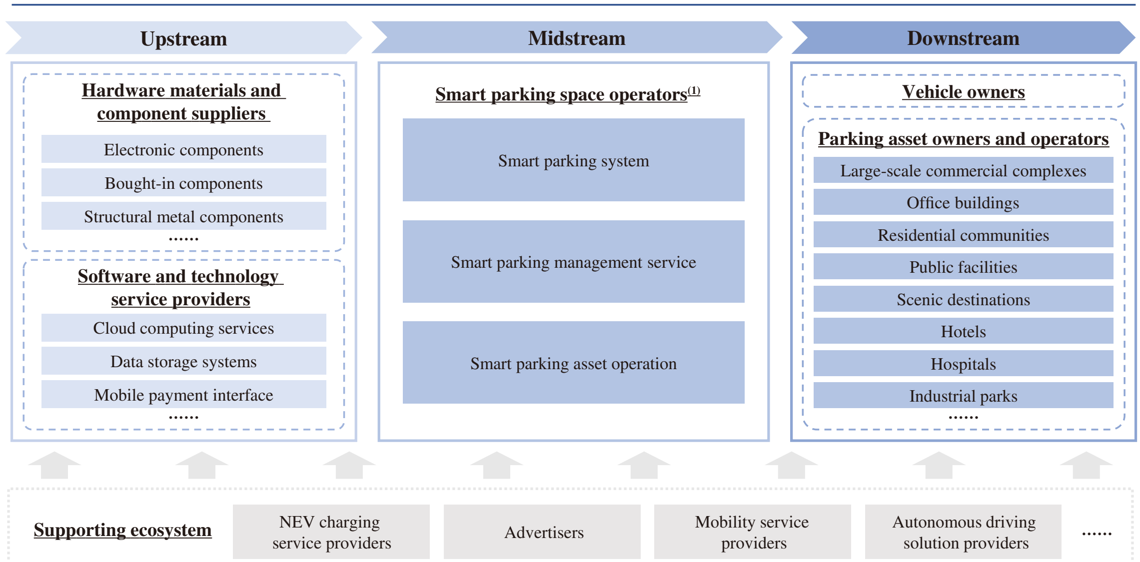
- ***Smart Parking Management Service.*** Smart parking management services refer to various management services provided based on one or more smart parking systems within parking facilities, which include cloud-based online services, on-site management services and integrated online-offline management services. Leveraging advanced technologies, these services enable centralized management from individual entrance and exit lanes to multi-site parking facilities. This significantly reduces labor costs and effectively enhances operating efficiency and cost-effectiveness.

- ***Smart Parking Asset Operation.*** Smart parking asset operations refer to the integrated operation services provided around parking assets. Through in-depth analysis of operating data and user behaviors, this approach develops targeted optimization strategies and user acquisition plans to achieve improved operating revenues. In addition, it facilitates deep collaboration among smart parking space operators and stakeholders in the supporting ecosystem, such as NEV charging service providers and advertisers, therefore expanding revenue streams and activating the value-added potential of parking assets.

Value Chain of Smart Parking Space Operation Industry

The upstream of smart parking space operation industry typically includes hardware suppliers, and software and technology service providers that provide fundamental support. The midstream mainly comprises smart parking space operators, which leverage data and AI technologies to provide a range of smart parking products and services. According to their primary business models, smart operators can be categorized into smart parking system suppliers, smart parking asset operators and integrated smart parking space operators. Smart parking system suppliers specialize in R&D and manufacturing of smart parking systems, demonstrating expertise in hardware design and production while integrating proprietary or externally sourced software solutions to enable the transformation of parking facilities. Their revenue is primarily generated from the sale, installation and maintenance of these systems. Smart parking asset operators concentrate on the operation of parking assets, typically without direct involvement in the R&D of smart parking systems. Instead, they leverage their professional operational management teams, accumulated operational experience and externally procured smart parking systems to provide customized optimization services for parking assets, with revenues mainly derived from parking fee collection and value-added service offerings. Integrated smart parking space operators leverage their profound technological accumulation in the R&D and manufacturing of smart parking systems to expand their service portfolios, encompassing both smart parking management services and parking asset operations, and generate revenues aligned with the specific products and services delivered. The downstream customers include vehicle owners as well as parking asset owners and operators in various fields. The role of smart parking space operators is primarily determined by the varying needs of their downstream customers. For example, parking asset owners and operators within large-scale commercial complexes, who typically prioritize superior customer experience, operational efficiency optimization and value-added potential, tend to select integrated smart parking space operators for total solutions. Additionally, in scenarios such as transportation hubs where parking assets feature high traffic volume, operational complexity and the need to balance public service attributes with revenue generation objectives, parking asset owners and operators typically opt for smart parking asset operators equipped with professional management teams and extensive operational expertise. Furthermore, for small-to-medium sized parking facilities where the primary requirements center on procurement of smart hardware devices and deployment of software systems with relatively low operational service needs, parking asset owners and operators typically prefer smart parking system suppliers. The supporting ecosystem comprises stakeholders such as NEV charging service providers, advertisers, mobility service providers and autonomous driving solution providers.

Value chain of smart parking space operation industry



(1) Smart parking space operators encompass companies that can deliver one or more segments of smart parking systems, smart parking management services and smart parking asset operations.

Source: Annual reports of companies pursuant to laws and regulations of where their shares were listed, primary interviews with industry experts, CIC

Value Proposition of Smart Parking Space Operation Industry

- ***Cost reduction, efficiency enhancement and refined operations enabled by advanced technology and data-driven insights.*** Leveraging cutting-edge technologies, smart parking space operations enhance the automation level of parking facilities. Smart parking space operations leverage big data analytics to predict parking demand, optimize space allocation and generate targeted operational optimization decisions based on historical data, thereby achieving cost reduction, efficiency enhancement and refined operations.

- ***Diverse value-added services to expand profitability and growth potential.*** Smart parking space operations generate multiple revenue streams, expanding overall profitability through integrated value-added services. By integrating advanced technologies, smart parking space operations enable real-time data processing to deliver targeted marketing campaigns and enhance user stickiness and parking frequency. In addition, by analyzing parking duration patterns and user behaviors, operators can optimize value-added services such as NEV charging, digital advertising and car washing. This multi-service approach also fosters long-term business sustainability.

- ***Enhanced user experience through digital platforms.*** Smart parking space operations deliver parking services through user-end applications. Users can perform multiple functions including digital payments, parking space reservation and vehicle navigation through digital platforms. This significantly improves convenience and offers users a more efficient experience.

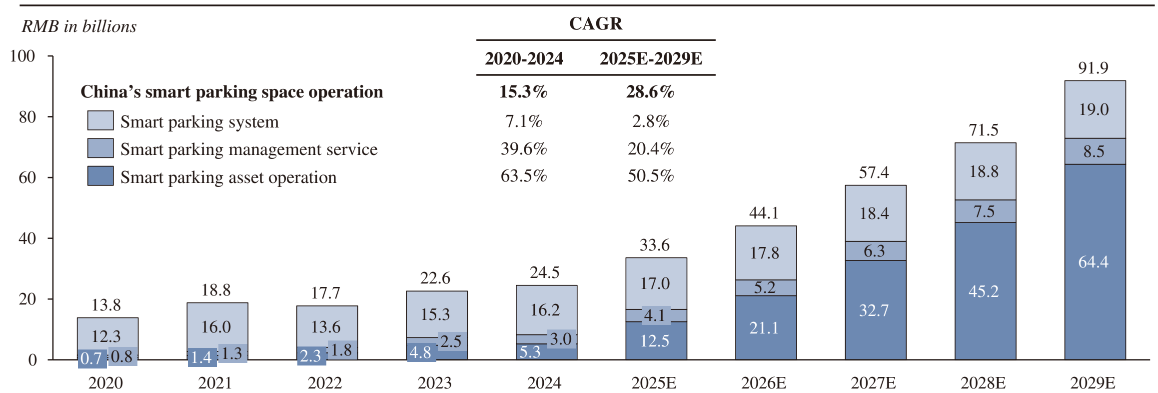
- ***Contribution to low-carbon and sustainable development.*** Smart parking space operations optimize parking workflows to reduce time spent circling for a space, thereby lowering vehicle emissions. In addition, leveraging IoT and big data technologies, the cloud-based software systems dynamically assess real-time charging station availability, pricing models and occupancy patterns to deliver personalized route optimization for users. Furthermore, this provides actionable insights for charging infrastructure investment, supporting the development of a sustainable, low-carbon transportation ecosystem.

Market Size of China's Smart Parking Space Operation Industry

The market size of China's smart parking space operation industry in terms of revenue increased from RMB13.8 billion in 2020 to RMB18.8 billion in 2021, representing a year-on-year increase of 35.7%. However, the market size decreased to RMB17.7 billion in 2022, representing a year-on-year decrease of 5.6%. This was primarily due a 14.8% year-on-year decline in the smart parking system market, which is the largest segment within the industry. The primary reason behind the decline was the substantial reduction in demand from new real estate development projects in 2022. According to the National Bureau of Statistics, the national real estate development investment in 2022 was approximately RMB13.3 trillion, representing a year-on-year decrease of 10.0%, while the newly started area of houses was around 1.2 billion square meters, representing a year-on-year decline of 39.4%. The reduction in new real estate investment directly impacted the demand for smart parking systems, leading to a decline in the market size of this segment. As smart parking space operators shift their market strategy from focusing on newly constructed parking assets to prioritizing the upgrade and operational enhancements needs of existing parking assets, the market size of smart parking space operation industry reached RMB24.5 billion in 2024, representing a CAGR of 17.5% from 2022 to 2024. With the deep integration of cutting-edge technologies such as AI and big data into the industry, and the acceleration of eco-friendly transformation of parking facilities, smart parking space operators are expected to gradually replace traditional parking space operators. The market size of China's smart parking space operation industry in terms of revenue is expected to increase to RMB91.9 billion by 2029, representing a CAGR of 28.6% from 2025 to 2029.

At present, smart parking systems maintain a dominant market position, owing to their pivotal role in supporting the transformation of parking facilities. The market size of China's smart parking system segment in terms of revenue reached RMB16.2 billion in 2024, accounting for 66.2% of the overall smart parking space operation market size in 2024. While the transformation has enhanced user experience and operational efficiency to some extent, various parking scenarios still face pain points such as high management costs, suboptimal parking space allocation and limited revenue sources. Looking ahead, as parking asset owners increasingly prioritize cost reduction, diversified revenue generation and user experience enhancement, the smart parking management services and smart parking asset operation segments are projected to demonstrate robust growth momentum. Specifically, residential parking spaces account for approximately half of China's total parking spaces and face the challenge of high management costs. This creates substantial demand for smart parking management services, which enable centralized control of multiple facilities while eliminating on-site personnel. The number of residential parking spaces adopting smart parking management services in China is expected to grow from 41.9 million in 2025 to 120.7 million in 2029, with a CAGR of 30.3%. Additionally, traditional parking space operators and asset owners for parking facilities at large commercial complexes, industrial parks and office buildings urgently require solutions to enhance parking space utilization and operational efficiency while diversifying income sources. Against this backdrop, smart parking asset operations that implement precision operations and integrated value-added services typically deliver 10%-30% revenue enhancement and are gaining significant market traction. The number of parking spaces adopting smart parking asset operations in China is expected to grow from 2.0 million in 2025 to 9.1 million in 2029, with a CAGR of 45.7%. The market sizes of China's smart parking management service segment and smart parking asset operation segment in terms of revenue are expected to increase to RMB8.5 billion and RMB64.4 billion, respectively, by 2029, representing a CAGR of 20.4% and 50.5%, respectively, from 2025 to 2029.

Market size of China's smart parking space operation industry, in terms of revenue, by segment, 2020-2029E



Source: the Ministry of Housing and Urban-Rural Development of the PRC, CIC

Growth Drivers of China's Smart Parking Space Operation Industry

- ***Smart parking system segment***

Evolving demand for better parking experiences. The ongoing progression of urbanization and the increasing vehicle parc in China are expected to sustain the growth and complexity of parking demands, with vehicle owners and drivers increasingly seeking enhanced parking experiences. This trend is fostering a demand for the transformation of parking facilities, thereby propelling the further deployment and upgrading of smart parking systems.

Labor cost pressure of traditional parking space operation models. The rising labor costs in China are intensifying cost pressures on traditional parking space operation models that heavily depend on manual labor for tasks such as access control, parking fee collection and parking space guidance. This cost pressure is driving parking asset owners and operators to actively pursue digital and smart solutions to enhance the automation level of parking facilities, thereby reducing dependency on human resources.

Favorable policies and regulatory support in China. Government authorities in PRC have introduced a series of supportive policies to promote the transformation of parking facilities. Notable examples include the Guiding Opinions on Comprehensively Promoting the Construction of Urban Integrated Transportation Systems (關於全面推進城市綜合交通體系建設的指導意見) issued in November 2023 by the Ministry of Housing and Urban-rural Development of the PRC, and the Opinions on Advancing the Construction of New Urban Infrastructure and Building Resilient Cities (關於推進新型城市基礎設施建設打造韌性城市的意見) jointly issued in December 2024 by the General Offices of the Central Committee of the Communist Party of China and the General Office of the State Council of the PRC. These policy initiatives create a favorable environment for the growth of the smart parking system segment.

- ***Smart parking management service segment***

Pressing need for cost reduction, efficiency enhancement and refined operations. Unrefined traditional parking space operations, which heavily rely on manual labor, lead to low parking efficiency and increasing management costs. In contrast, smart parking management services enable remote and centralized management. These services can effectively address the growing demand from parking asset owners and operators for operational optimization and cost-effectiveness. As a result, there are opportunities for development within the smart parking management service segment in China.

Advancements in cloud computing and IoT technologies. The continued advancement and increasing adoption of cloud computing and IoT are enhancing both the management efficiency and the service value of smart parking management services. Cloud computing provides robust computing power and data storage capacity, ensuring system stability and efficient processing. IoT technologies provide smart parking management systems with real-time and precise data streams from multiple end devices. These ongoing technological advancements enable smart parking management services to achieve more efficient management and reduce labor costs, thereby providing both a technological foundation and impetus for expansion.

- ***Smart parking asset operation segment***

Continued maturation and scaled application of AI and big data technologies. AI and big data technologies serve as key drivers of smart parking asset operations. AI enables in-depth analysis of operating and user data, leading to optimized strategies and cost reduction. Big data analytics offers insights into traffic flows and user behaviors, improving resource allocation. As these technologies continue to mature and be widely adopted, the smart parking asset operation segment is seeing steady improvements in operational and economic performance, supporting its long-term development.

Demand for enhanced profitability and diversified revenue streams. The increasing maturity of collaborative models between smart parking asset operators and stakeholders in the supporting ecosystem, such as NEV charging service providers and advertisers, is fostering diversified business collaborations through resource integration. This diversification and maturation of collaborative models enhance the value and profitability of parking assets, thereby propelling the development of smart parking asset operations.

Acceleration of green and low-carbon transformation of urban transportation. In alignment with China's "Dual Carbon" targets, the parking asset operation segment in China is undergoing a critical transformation. With rising penetration of NEVs and tightening carbon emission regulations, parking asset owners and operators urgently need to achieve carbon reduction through measures such as the expansion of NEV charging networks and improved parking efficiency, thereby further advancing the development of the parking asset operation segment in China.

Future Trends of China's Smart Parking Space Operation Industry

- ***Accelerating AI innovation and data mining to enhance operations and management.*** As downstream customers increasingly seek to improve operating efficiency and expand revenue potential, smart parking space operators that effectively leverage big data and AI technologies to improve operations and management are gaining a competitive edge. Through AI technologies and in-depth mining of massive parking datasets, these operators can offer more refined solutions and develop diverse value-added services. AI-driven perception algorithms also significantly enhance the accuracy of license plate recognition and anomaly detection, thereby improving overall operating performance. As such, accelerating AI innovation and data value extraction has become a critical direction for the sustainable development of the industry.

- ***Upgrading ecosystem partnerships to expand revenue potential.*** Smart parking space operators are actively promoting in-depth collaboration with stakeholders in the supporting ecosystem, such as NEV charging service providers and advertisers, thereby expanding their connections with the automotive aftermarket and local life services, fostering deep integration of resources along the value chain. Such partnerships unlock additional revenue opportunities, thereby enhancing the commercial value and overall profitability of parking assets.

- ***Integrated development of vehicle and infrastructure to optimize smart mobility.*** Smart parking space operators are proactively pursuing strategic ecosystem partnerships and technological innovation with internet technology companies and automotive companies. For example, joint development of in-vehicle infotainment systems enables one-stop parking experiences for vehicle owners. Such partnerships support the ongoing upgrade of smart parking space operations, expand application scenarios and meet customer demands for safer, more efficient mobility services.

- ***Accelerated global expansion of China's smart parking space operators.*** With advanced technologies, extensive industry experience, deep user insights and massive data assets, China's smart parking space operators are demonstrating strong competitiveness in the global market. In recent years, they have shown a trend of international expansion, exporting cutting-edge technologies and products abroad. As a result, the global influence of China's smart parking space operation industry continues to grow.

Market Challenges and Threats of China's Smart Parking Space Operation Industry

- ***Fierce competition and downturn of China's real estate industry are the main market challenges and threats of China's smart parking system segment.*** The competitive landscape among smart parking system suppliers in China is highly fragmented and intensely competitive, characterized by a large number of market participants competing for market share. To maintain their competitive position, suppliers must continuously allocate investment to R&D in order to upgrade their products and meet the increasingly complex and dynamic market requirements. In addition, China's real estate industry has undergone notable adjustments and fluctuations in recent years. A reduction in new real estate investment will directly impact the demand for smart parking systems, leading to a contraction in the market size of this segment. Consequently, the uncertainty within China's real estate industry elevates the market challenges and threats for smart parking space operators.

- ***Labor cost control for dedicated teams is the main market challenge and threat of China's smart parking management service segment.*** The provision of smart parking management services relies heavily on digitalized and information-based management systems, which require continuous R&D investment and increasingly high costs associated with R&D personnel. In addition, the provision of such services still requires dedicated technical and customer support staff for project implementation and ongoing operation. The rising personnel-related costs associated with both R&D and service delivery present an ongoing challenge for smart parking space operators.

- ***Large prepayment is the main market challenge and threat of China's smart parking asset operation segment.*** Expanding smart parking asset operations usually requires a large prepayment to secure the rights to occupy and operate parking facilities. This requirement places demands on the financial resources of operators and may pose a financial challenge to the development and growth of the business.

Competitive Landscape of China's Smart Parking Space Operation Industry

China's smart parking space operation industry features a relatively fragmented competitive landscape, with top five players accounting for an aggregate market share of 17.4% in terms of relevant revenue in 2024. We ranked the second in China's smart parking space operation industry with a market share of 3.3% in terms of relevant revenue in 2024.

Rankings of Smart Parking Space Operators, in terms of Revenue(1), 2024

Ranking	Provider	Revenue	Market Share
		(RMB in millions)	
1	Company A(2)	1,494.6	6.1%
2	**Our Group**	**797.8**	**3.3%**
3	Company B(3)	764.6	3.1%
4	Company C(4)	~700.0	~2.9%
5	Company D(5)	~500.0	~2.0%
	Sub-Total	**~4,257.0**	**~17.4%**

Notes:

(1) The revenue includes revenue from smart parking systems, smart parking management services and smart parking asset operations.

(2) Company A, founded in 1992 and headquartered in Guangdong province, China, is a company listed on the Shenzhen Stock Exchange. It mainly engages in the R&D, design, manufacture and sales of smart parking systems. In recent years, Company A has also expanded its scope to include smart parking management services and smart parking asset operations.

(3) Company B, founded in 1985 and headquartered in Hong Kong, is a company listed on the Stock Exchange. It mainly engages in the investment, operations and management of core infrastructure assets, including parking assets, in China that have long-term value.

(4) Company C, founded in 2006 and headquartered in Beijing, China, is a private company. It mainly engages in the smart parking management services and smart parking asset operations.

(5) Company D, founded in 2001 and headquartered in Zhejiang province, China, is a company listed on the Shenzhen Stock Exchange. It mainly engages in the R&D, design, manufacturing and sales of video-centric IoT systems, including smart parking systems.

Source: Annual reports, CIC

Entry Barriers for China's Smart Parking Space Operation Industry

- ***Smart parking system segment***

Technical barrier. Smart parking system relies extensively on advanced technologies such as IoT, hardware design and production and software algorithm development to ensure system integration and efficient operation. Moreover, given the high degree of interaction between smart parking systems and other infrastructure, cross-disciplinary technology integration capabilities are essential for system extensibility. In contrast, new entrants typically lack such technological foundations and integration capabilities, making it difficult for them to gain a competitive edge.

Brand barrier. Established companies in the smart parking system industry have built robust brand recognition through ongoing product innovation, consistent quality control and superior customer service. As a result, customers tend to favor well-known brands with strong reputations when selecting a smart parking system supplier. New entrants, lacking established brand awareness, often face challenges in rapidly gaining customer trust.

- ***Smart parking management services segment***

Product and technology barrier. Smart parking management services rely on the sensing and digitization capabilities of smart parking systems. Only companies with capabilities in the R&D and deployment of smart parking systems are able to provide the underlying technology and infrastructure required for smart parking management services. New entrants that lack a diversified product portfolio and robust technical expertise in smart parking systems will face challenges in establishing the digital foundation for effective management services.

Management team barrier. Smart parking management services encompass various critical aspects, including the management of traffic flow within parking facilities, the optimization of parking space allocation, and the effective resolution of unforeseen incidents. These multifaceted responsibilities require that the management team possess robust managerial capabilities and extensive practical experience to accurately identify and address the complex requirements inherent in diverse management scenarios. New entrants may face challenges in assembling an experienced and professional management team within a short period, thereby potentially undermining their ability to effectively manage the complexities associated with these varied demands.

- ***Smart parking asset operation segment***

Data asset barrier. Leading smart parking asset operators, through years of operation, have accumulated massive data pools and are leveraging advanced technologies such as AI to continuously extract data value, thereby empowering parking asset operations. New entrants, on the other hand, face challenges due to limited data accumulation, under-developed data processing platforms, and inexperienced algorithm teams. This hampers their ability to convert data into operational insights and decisions, weakening their competitiveness in the market.

*Capital investment barrier. S*ubstantial capital investment is required to obtain the exclusive rights to manage and operate parking facilities for companies to expand into the smart parking asset operation business. New entrants may find it difficult to allocate large amounts of capital to obtain quality parking facilities due to limited capital and financing channels. Therefore, adequate capital support is a fundamental pre-requisite for long-term business development in this industry.

Key Success Factors for China's Smart Parking Space Operation Industry

- ***Extensive data accumulation and industry expertise.*** Data accumulation and industry expertise serve as a potent barrier in commercial competition, providing smart parking space operators with sustainable competitive benefits. Early market entry and strategic deployment enable companies to accumulate extensive user behavior and parking facility operating data, laying a solid foundation for the innovation and optimization of parking space operations. In addition, long-term and in-depth industry experience enables companies to have a more profound understanding of industry pain points and user needs, allowing them to respond more swiftly and accurately to market changes with tailored products and services.

- ***Broad and loyal customer base.*** Through extensive service experience, companies have accumulated a broad customer base and a strong reputation, which serve as compelling endorsements to attract new customers and increase their trust. By collaborating with a massive customer base, companies have amassed substantial industry resources, including operational know-how and supply chain networks. These resources can be efficiently leveraged to facilitate business expansion. Moreover, close cooperation and ongoing feedback with customers from diverse fields help refine understanding of market needs and pain points, enabling continued iteration of products and services to further reinforce market leadership and competitive advantage.

- ***Advanced AI technology.*** By actively investing in AI technologies, companies can utilize deep learning algorithms and large-scale parking data to enable accurate vehicle identification, in-depth analysis of user behaviors, and deep value extraction from parking assets. Only companies with leading technological advantages can offer high-value and competitive services that drive operating efficiency and profitability, while also delivering a premium experience for end users.

- ***Broad ecosystem partnerships.*** Smart parking asset operations span across all scenarios and value chain segments within the parking space operation industry. Deep collaboration with ecosystem partners enables companies to break down traditional information silos and overcome operating inefficiencies. Through integration with ecosystem partners, companies are better positioned to deliver full-chain, refined operational services, thereby optimizing resource allocation and maximizing operating revenues.

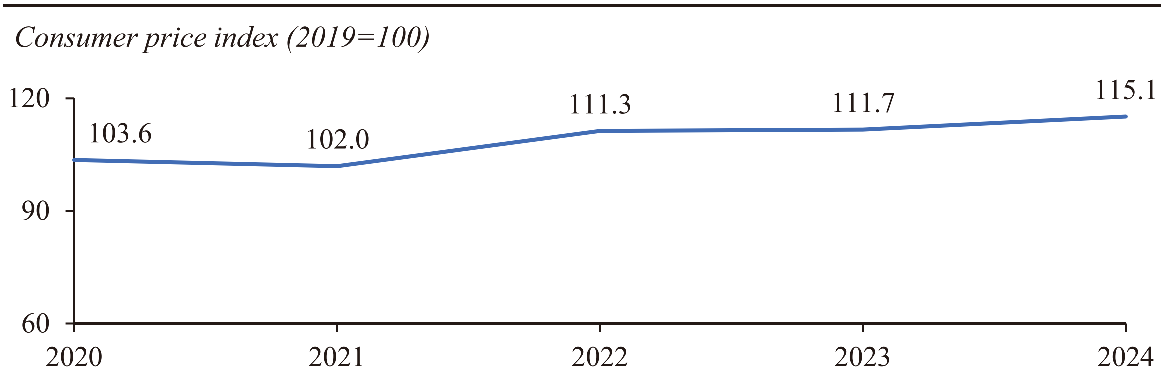
- ***Robust after-sales support and platform-based operating capabilities.*** Robust after-sales service capabilities can ensure system reliability and improve customer retention. Meanwhile, platform-based operating capabilities enable companies to deliver a broad range of services built upon software and hardware systems, helping customers further improve operating efficiency and end user experience, as well as laying the foundation for subsequent business expansion.

HISTORICAL AND FORECAST PRICE TRENDS OF MAJOR COST COMPONENTS

Cost of Raw Materials

Printed circuit boards ("PCBs") are a primary raw material used by smart parking space operators in the manufacturing of hardware devices for smart parking systems, which represents a significant cost component for these operators. Over the past five years, the price of PCBs in China has experienced fluctuating growth. In particular, the consumer price index for PCBs in China decreased from 103.6 in 2020 to 102.0 in 2021, followed by a consistent rise to 115.1 in 2024. Looking ahead, the continuous advancement of emerging technologies, including AI, 5G communications, cloud computing and IoT, is expected to drive sustained upgrades and expansions in downstream sectors of the PCB industry. This, in turn, is anticipated to further elevate the demand for high-end PCBs, contributing to a steady increase in the overall price of PCBs.

Consumer price index for printed circuit boards, China, 2020-2024

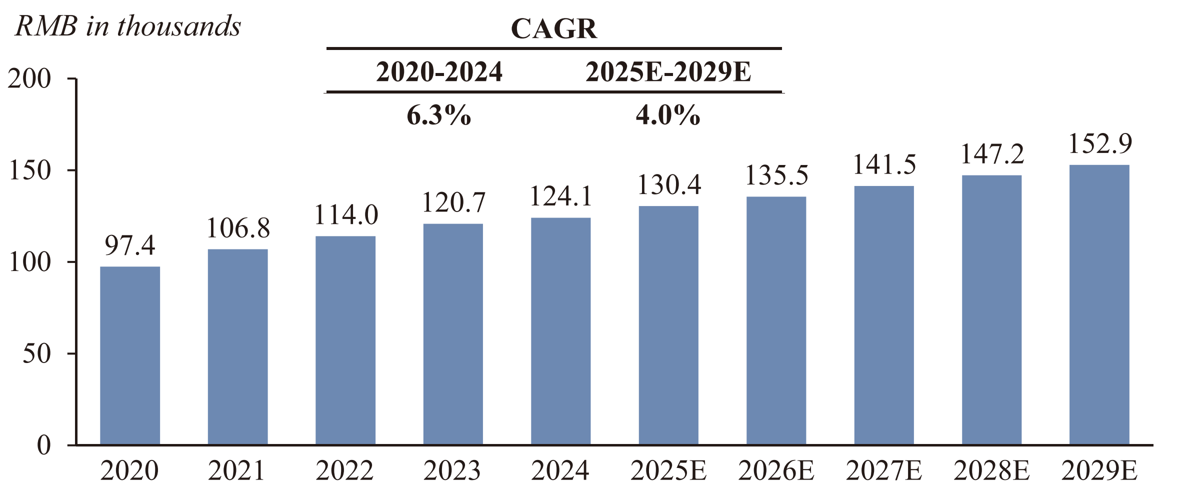


Source: the General Administration of Customs of the PRC, CIC

Cost of Labor

Labor costs represent a major cost component for smart parking space operators. To ensure the quality of products and services and adapt to diverse market demands, it is essential for such operators to establish R&D teams with technological expertise, alongside experienced technical support, customer support and project management personnel. Driven by urbanization and inflation, the average annual salary in China is expected to increase to RMB152.9 thousand by 2029, representing a CAGR of 4.0% from 2025 to 2029.

Average annual salary, China, 2020-2029E



Source: the National Bureau of Statistics, CIC

SOURCE OF INFORMATION

In connection with the Global Offering, we engaged China Insights Consultancy, an independent market research consultant, to conduct an analysis of, and to prepare a report about China's smart parking space operation industry. The CIC Report has been prepared by China Insights Consultancy, independent of the influence of our Group and other interested parties. We have agreed to pay China Insights Consultancy a total fee of RMB510,000 for the preparation and use of the CIC Report, and we believe that such fees are consistent with the market rate.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The market projections in the commissioned report are based on the following key assumptions: (1) the overall social, economic and political environments in China will remain stable during the forecast period; (2) the economic and industry development in China is likely to maintain a steady growth trajectory during the forecast period, accompanied by continuing urbanization; and (3) related key industry drivers are likely to propel continued growth in China's smart parking space operation industry throughout the forecast period.

Unless otherwise specified, all data and forecasts contained in this section are derived from the CIC Report. Our Directors, upon acting with reasonable prudence, confirmed that there has been no occurrence of adverse change in the overall market information that would subject the data to significant restrictions, contradiction or negative effects since the date of the report.

OVERVIEW

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets out a summary of relevant laws and regulations that may have material impact on our business activities.

REGULATIONS ON FOREIGN INVESTMENT

The PRC Company Law (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People's Congress on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign invested companies shall abide by the PRC Company Law.

Pursuant to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) and Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which became effective on January 1, 2020, the State Council establishes a foreign investment information report system. Foreign investors or foreign–funded enterprises shall submit investment information to the competent department for commerce concerned through the enterprise registration system and the enterprise credit information publicity system. The contents and scope of foreign investment information report shall be determined under the principle of necessity; it is not allowed to require the submission again of any investment information that can be obtained by interdepartmental information sharing. For foreign investment enterprises investing in China and establishing an enterprise (including multi–level investment), upon completion of registration filing and submission of annual report information to the market regulatory authorities, the relevant information shall be forwarded by the market regulatory authorities to the commerce administrative authorities, and these enterprises are not required to submit separately.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the Ministry of Commerce on December 19, 2020 and became effective on January 18, 2021, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof. A foreign investor or a party concerned in China shall take the initiative to make a declaration to the working mechanism office prior to making the investment in any important infrastructure, important transportation services and other important fields that concern state security while obtaining the actual control over the enterprises invested in.

We operate in the smart parking space operation industry and, as advised by our PRC Legal Advisors, our current business activities are not subject to foreign investment restrictions or prohibitions under applicable PRC laws and regulations, including the Negative List. Our business activities are not categorized as "restricted" or "prohibited," and do not involve industries subject to foreign investment equity caps, licensing requirements, or other foreign investment control measures. Following the Listing, we will continue to closely monitor any updates to applicable foreign investment regulations in the PRC and ensure compliance with all relevant requirements, including any filing or approval procedures, if applicable.

REGULATIONS ON EXPORTATION OF GOODS

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) which was promulgated by the Standing Committee of the National People's Congress on May 12, 1994 and implemented on July 1, 1994, and subsequently revised on April 6, 2004, November 7, 2016, and December 30, 2022, foreign traders engaging in import and export of goods or technology shall submit documents and material related to its foreign trade activities to the relevant departments in accordance with the provisions of the foreign trade department of the State Council or other relevant State Council departments in accordance with the law.

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the Standing Committee of the National People's Congress on January 22, 1987 and amended on July 8, 2000, June 29, 2013, December 28, 2013, November 7, 2016, November 4, 2017 and April 29, 2021, unless otherwise stipulated, the declaration of import and export goods may be made by consignees and consignors themselves, and such formalities may also be completed by their entrusted customs brokers that have registered with the Customs. The consignees and consignors for import or export of goods and the customs brokers engaged in customs declaration shall file for record with the Customs in accordance with the laws.

Pursuant to the Administrative Provisions of the Customs of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and taking effect from January 1, 2022, the consignees and consignors for imported or exported goods and the customs brokers engaged in customs declarations shall undergo recordation formalities at the relevant administration department of customs in accordance with the laws.

PARKING LOT FILING MANAGEMENT

According to the Key Points of Recent Work and the Division of Labor for Speeding up the Construction of Urban Parking Facilities (Fa Gai Ji Chu [2016] No. 159) (《加快城市停車場建設近期工作要點與任務分工》(發改基礎[2016]159號)) promulgated by NDRC on January 25, 2016, the people's governments should deepen the reform of the administrative approval system, simplify the procedures for investment construction and operation, improve efficiency, and complete the examination (or approval) of parking lot construction projects proposed by the project owners or investment subjects in accordance with the prescribed processing time and procedures. For small parking lots or those constructed by the use of own land, the filing system is encouraged. As of the Latest Practicable Date, a certain number of cities have introduced corresponding measures and/or filing systems.

PARKING SERVICE FEES

According to the Guidance on the Planning, Construction and Management of Urban Parking Facilities (Jian Cheng [2010] No. 74) (《關於城市停車設施規劃建設及管理的指導意見》(建城[2010]74號)) jointly promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) (the "MOHURD"), the Ministry of Public Security of the PRC (the "Ministry of Public Security") and the NDRC and came into effect on May 19, 2010, the government adopts for parking lot operators a licensed management system with market access and exit standards and the open, fair and equitable selection of urban parking lot operators.

According to the Circular of the National Development and Reform Commission on Relaxing Price Controls in Certain Services (《國家發展和改革委員會關於放開部分服務價格意見的通知》) which was promulgated on December 17, 2014 and became effective on the same day, price control on parking services in residence communities was canceled.

Pursuant to Guidance on Further Improving Charging Policies for Motor Vehicle Parking Service (《關於進一步完善機動車停放服務收費政策的指導意見》) which was jointly promulgated by NDRC, Ministry of Transport and MOHURD on December 15, 2015 and came into effect on the same day, the government insists on market-oriented mechanism, opens up the service charges of parking facilities with competitive conditions in accordance with the law, gradually reduces the scope of government pricing management, encourages the construction of parking facilities by social capital, and encourages all localities to implement different charging for parking services in different regions, different locations, different models, and different period in light of actual conditions.

REGULATIONS ON PRODUCT QUALITY

In accordance with the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by Standing Committee of the National People's Congress on February 22, 1993, and most recently amended on December 29, 2018, the seller assumes responsibility for the repair, replacement, or return of the sold product under the following circumstances: (i) the product lacks the essential properties for its intended use without prior clear indication; (ii) the product does not meet the stated standards displayed on the product or its packaging; or (iii) the product does not match the quality as described in the product information or physical sample. In cases where a consumer incurs losses due to the purchased product, the seller is obligated to compensate for these losses. Under the Civil Code of the PRC (《中華人民共和國民法典》) (the "Civil Code"), promulgated by the National People's Congress of the PRC on May 28, 2020, and became effective on January 1, 2021, manufacturers and commercial sellers bear liability for physical injury or property loss resulting from product defects. The affected party has the right to seek compensation from either the manufacturer or the commercial seller. According to the Administrative Provisions on Compulsory Product Certification (《強制性產品認證管理規定》), promulgated under Decree No. 117 of the General Administration of Quality Supervision, Inspection and Quarantine on July 3, 2009 and revised under Decree No. 61 of the State Administration for Market Regulation on September 29, 2022, no products specified by the State may leave the factory, or be sold, imported or used in other business activities until they are certified and labeled with certification marks. Producers or sellers or importers of products included in the catalogue shall entrust a certification agency designated by the State Administration for Market Regulation to certify the products produced, sold or imported thereby.

REGULATIONS ON INTERNET INFORMATION SECURITY AND PRIVACY PROTECTION

Regulations Relating to Privacy Protection

On August 20, 2021, the Standing Committee of the National People's Congress promulgated the Personal Information Protection Law of PRC (《中華人民共和國個人信息保護法》) (the "Personal Information Protection Law") and became effective on November 1, 2021. Pursuant to the Personal Information Protection Law, the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information, and before processing personal information, personal information processors should truthfully, accurately and completely inform individuals of the following matters in a conspicuous manner and in clear and easy-to-understand language: (i) the name and contact information of the personal information processor; (ii) purpose of processing personal information, processing method, type of personal information processed, and retention period; (iii) methods and procedures for individuals to exercise their rights under the Personal Information Protection Law; and (iv) other matters that should be notified as required by laws and administrative regulations. Personal information processors should also take the following measures to ensure that personal information processing activities comply with laws and administrative regulations based on the processing purpose, processing methods, types of personal information, impact on personal rights and interests, and possible security risks, etc., and to prevent unauthorized access and personal information leakage, tampering, and loss: (i) formulating internal management systems and operating procedures; (ii) implementing classified management of personal information; (iii) adopting corresponding security technical measures such as encryption and de-identification; (iv) reasonably determining the operating authority for personal information processing, and regularly conduct safety education and training for practitioners; (v) formulating and organizing the implementation of emergency plans for personal information security incidents; and (vi) other measures stipulated by laws and administrative regulations.

Regulations Relating to Internet Information Security

On November 7, 2016, the Standing Committee of the National People's Congress promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "Cybersecurity Law") and become effective as of June 1, 2017, which applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and the network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

On June 10, 2021, the Standing Committee of the National People's Congress promulgated the Data Security Law of PRC (《中華人民共和國數據安全法》) (the "Data Security Law") which became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility.

On September 24, 2024, the State Council announced the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the "Cyber Data Security Regulations"), which became effective on January 1, 2025. It regulates that Cyber data processors who carry out Cyber data processing activities that affect or may affect national security shall undergo national security review in accordance with relevant state regulations. In addition, the Cyber Data Security Regulations also regulate other specific requirements in respect of the data processing activities conducted by Cyber data processors in the view of personal data protection, important data safety, data cross-broader safety management and obligations of network platform service providers.

On December 28, 2021, the Cyberspace Administration of the PRC (中華人民共和國國家互聯網信息辦公室) (the "CAC") and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "Cybersecurity Review Measures") which became effective on February 15, 2022. The Cybersecurity Review Measures provides that, among others, (i) critical information infrastructure operators that the purchase of cyber products and services or network platform operators that engage in data processing activities that affects or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) network platform operators with personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security.

On July 7, 2022, the CAC has promulgated the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), which takes effect on September 1, 2022, and requires that any data processor providing important data collected and generated during operations within the territory of the PRC or providing personal information that should be subject to security assessment according to the relevant law to an overseas recipient shall apply for cross-border data transfer security assessment.

REGULATIONS ON GOVERNMENT PROCUREMENT

The Government Procurement Law of the PRC (《中華人民共和國政府採購法》) (the "Government Procurement Law"), which was last amended on August 31, 2014, provides that public invitation for bids shall be taken as the main method of government procurement. Government procurement refers to the procurement of goods, projects and services within the centralized procurement catalog formulated in accordance with the law by state organs at all levels, public institutions and social organizations with fiscal funds or above the prescribed procurement threshold. The method of bidding, which is employed in government procurements, shall be subject to the bidding law. Furthermore, the parties involved in government procurement shall not collude with each other to damage the interests of the State or the public. Pursuant to the Bidding Law of the PRC (2017 Amendment) (《中華人民共和國招標投標法(2017修正)》) (the "Bidding Law"), which was promulgated on December 27, 2017 and effective on December 28, 2017, bidding shall be carried out for the following construction projects, including the survey, design, construction, supervision of the project, and the procurement of the important equipment, materials relevant to the construction of the project: (1) large projects of infrastructure facility or public utility that have a bearing on the social public interest and the safety of the general public; (2) projects entirely or partially using state-owned funds or loans by the state; (3) projects using loans of international organizations and foreign governments and aid funds. For a project concerned with national security, state secrets, emergency handling, disaster relief, or belonging to special occasions such as the use of poverty alleviation funds or the use of the labor of farmers and is not suitable for bidding, the method of bidding shall not be applied. As pertains to projects legally requiring bidding, no entity or individual evade bidding by any means including the dismembering of projects.

LAWS AND REGULATIONS RELATING TO MEASURING INSTRUMENTS

According to the Metrology Law of the People's Republic of China (《中華人民共和國計量法》), adopted at the 12th Session of the Standing Committee of the National People's Congress on September 6, 1985; and latest amended at the 6th Session of the Standing Committee of the National People's Congress on October 26, 2018, those measuring instruments which have not been submitted for verification as required or those which are found to be unqualified upon verification shall not be used. Whoever uses measuring instruments subject to compulsory verification without having filed an application for verification as required or continues to use measuring instruments which have been verified and found to be unqualified shall be ordered to stop the use and may concurrently be punished by a fine.

According to the Implementing Rules of the Metrology Law of the People's Republic of China (《中華人民共和國計量法實施細則》), approved by the State Council on January 19, 1987, and revised for the fourth time on March 29, 2022, if the measuring instruments within the scope of mandatory verification are not applied for verification in accordance with the regulations, and the measuring instruments within the scope of non-mandatory verification are not self-calibrated regularly or sent to other metrology verification institutions for regular verification, and if they continue to be used after failing the verification, they shall be ordered to stop using them and may be fined up to RMB1,000.

REGULATIONS RELATING TO ADVERTISING BUSINESS

Advertising activities in the PRC shall be subject to the Advertising Law of the PRC (《中華人民共和國廣告法》) (the "Advertising Law") which was promulgated on October 27, 1994 and was last amended on April 29, 2021 and the Regulations on Administration of Advertisement (《廣告管理條例》) which was promulgated by the State Council on October 26, 1987 and became effective on December 1, 1987. According to the Advertising Law, an advertisement shall not contain any information that is false or causing misunderstanding, and shall not deceive or mislead consumers. Advertisers shall be responsible for the authenticity of the contents of their advertisements. An advertising operator or publisher shall check relevant supporting documents and verify the contents of advertisements in accordance with laws and administrative rules and regulations.

REGULATIONS ON LEASING

According to the Civil Code, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

According to the Interpretation of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Cases about Disputes Over Lease Contracts on Urban Buildings (2020 version) (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020修正)》), which took effect on January 1, 2021, if the ownership of the leased premises changes during lessee's possession in accordance with the terms of the lease contract, and the lessee requests the assignee to continue to perform the original lease contract, the PRC court shall support it, except that the mortgage right has been established before the lease of the leased premises and the ownership changes due to the mortgagee's realization of the mortgage right.

REGULATIONS ON ENVIRONMENTAL PROTECTION

Environmental Protection Law

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), or the Environmental Protection Law, was promulgated and effective on December 26, 1989, and most recently revised on April 24, 2014. The Environmental Protection Law has been formulated for the purpose of protecting and improving both the living and the ecological environment, preventing and controlling pollution and other public hazards and safeguarding people's health. According to the provisions of the Environmental Protection Law, in addition to other applicable laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts are responsible for administering and supervising environmental protection matters. Pursuant to the Environmental Protection Law, construction projects that have environmental impact shall be subject to an environmental impact assessment. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal construction plan of the project. Such installations shall not be dismantled or left idle without authorization from the competent government agencies.

Consequences of violations of the Environmental Protection Law include warnings, fines, rectification within a time limit, forced shutdown, or criminal punishment on Environment Impact Assessment.

Laws on Environment Impact Assessment

Pursuant to the Law of the People's Republic of China on Environment Impact Assessment (《中華人民共和國環境影響評價法》) issued on October 28, 2002 and most recently amended on December 29, 2018, the State Council implemented an environmental impact assessment, or EIA, to classify construction projects according to the impact of the construction projects on the environment. Constructing entities shall prepare an environmental impact report, or an EIR, or an environmental impact statement, or an EIS, or fill out the EIR Form according to the following rules: (i) for projects with potentially serious environmental impacts, an EIR shall be prepared to provide a comprehensive assessment of their environmental impacts; (ii) for projects with potentially mild environmental impacts, an EIS shall be prepared to provide an analysis or specialized assessment of the environmental impacts; and (iii) for projects with very small environmental impacts, an EIS is not required but an EIR form shall be completed.

On November 30, 2020, the Ministry of Ecology and Environment of the PRC promulgated the Classified Administration Catalog of Environmental Impact Assessments for Construction Projects (2021 version) (《建設項目環境影響評價分類管理名錄(2021年版)》), or Classified Administration Catalog (2021 version), which became effective on January 1, 2021. According to Classified Administration Catalog (2021 version), food and beverage services are not included in the management of EIA of construction projects.

REGULATIONS ON WORK SAFETY

According to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) promulgated by the Standing Committee of the National People's Congress on June 29, 2002, revised on June 10, 2021 and effective on September 1, 2021, production and business operation entities must formulate safety production objectives and measures, improve the working environment and conditions of workers in a planned and step-by-step manner, establish a safety production guarantee system and implement a safety production post responsibility system. In addition, production and business operation entities must arrange safety production training and provide employees with personal protective equipment that meets national or industry standards. In addition, the production and business operation entities shall report the major hazard sources and related safety measures and emergency measures to the emergency management department and other relevant departments for the record, and formulate a safety risk rating control system and take corresponding control measures.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by Standing Committee of the National People's Congress on August 23, 1982, most recently amended on April 23, 2019 and effective from November 1, 2019, and the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, later amended on April 29, 2014 and effective from May 1, 2014, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the Trademark Office for record, and the Trademark Law of the PRC has adopted a "first-to-file" principle with respect to trademark registration. Conducts that shall constitute an infringement of the exclusive right to use a registered trademark include but not limited to using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, and the infringing party will be ordered to stop the infringement act immediately and may be imposed a fine. The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the Standing Committee of the National People's Congress, which was latest amended in November 2020, and its related Implementing Regulations, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation and other rights shall be enjoyed by the copyright owners.

Patent

In accordance with the Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the Standing Committee of the National People's Congress, which was latest amended in October 2020 and became effective on June 1, 2021, and its Implementation Rule, patent is divided in to three categories, i.e., invention patent, design patent and utility model patent. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and ten years, respectively, which all calculated from the date of application. Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the PRC Labor Law (《中華人民共和國勞動法》), the PRC Labor Contract Law (《中華人民共和國勞動合同法》) (the "Labor Contract Law") and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

The Labor Contract Law, which became effective on January 1, 2008, primarily aims at regulating rights and obligations of employment relationships, including the establishment, performance, and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

In December 2012, the Labor Contract Law was amended to impose more stringent requirements on the use of employees of temp agencies, who are known in China as "dispatched workers". Dispatched workers are entitled to equal pay with full-time employees for equal work. Employers are only allowed to use dispatched workers for temporary, auxiliary or substitutive positions. According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Security and came into effect on March 1, 2014, the number of dispatched workers hired by an employer may not exceed 10% of the total number of its employees. Where rectification is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

Social Insurance

The PRC Social Insurance Law (《中華人民共和國社會保險法》) (the "Social Insurance Law") issued by the Standing Committee of the National People's Congress in 2010 and latest amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

The Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "Interpretation"), promulgated by the Supreme People's Court of the PRC on July 31, 2025 and took effect on September 1, 2025, provides further clarification on the application of existing labor laws and regulations, particularly in relation to social insurance contributions. Specifically, the Interpretation clarifies the legal consequences of the following scenarios: (i) any undertakings or agreements by employees to waive social insurance contributions are invalid; (ii) if an employer fails to make social insurance contributions and the employee terminates the employment relationship on such basis, the employee is entitled to economic compensation pursuant to Article 38(3) of the Labor Contract Law; and (iii) if an employer has made supplementary contributions for social insurance, it may request the return of any overpaid amounts, and the people's courts shall support such claims.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, and amended on March 24, 2002, and March 24, 2019, enterprises must register at the designated administrative centers and open bank accounts for depositing employees' housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management center. Where employers fail to make payment within such period, enforcement by the people's court will be applied.

In case of failure to register and open accounts for depositing employees' housing provident funds, the housing fund management center shall order employers to go through the formalities within a specified period, where employers fail to do such formalities within the prescribed time, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

REGULATIONS ON FOREIGN EXCHANGE

Regulations Relating to Foreign Currency Exchange

The principal regulation governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "SAFE Circular 19") on March 30, 2015, and it became effective on June 1, 2015, which was partially repealed on December 30, 2019, and latest amended on March 23,

2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "SAFE Circular 16"), which was amended on December 4, 2023, among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In October 2019, SAFE issued the Circular of Further Facilitating Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which was amended on December 4, 2023, or SAFE Circular 28, which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), or SAFE Circular 8, issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of SAFE Circular 28 and SAFE Circular 8 are still subject to changes accordingly, and we cannot assure that we will be able to comply with the latest requirements in a timely manner.

REGULATIONS ON TAX

PRC Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "EIT Law"), which was first promulgated on March 16, 2007 and amended on February 24, 2017 and December 29, 2018, and its implementing rules, enterprises are classified as resident enterprises and non-resident enterprises. PRC resident enterprises typically pay an enterprise income tax at the rate of 25% while non-PRC resident enterprises without any branches in the PRC should pay an enterprise income tax in connection with their income from the PRC at the tax rate of 10%. An enterprise established outside of the PRC with its "de facto management bodies" located within the PRC is considered a "resident enterprise," meaning that it can be treated in a manner similar to a PRC domestic enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define a de facto management body as a managing body that in practice exercises "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise.

The EIT Law and the implementation rules provide that an income tax rate of 10% will normally be applicable to dividends payable to investors that are "non-resident enterprises," and gains derived by such investors, which (a) do not have an establishment or place of business in the PRC or (b) have an establishment or place of business in the PRC, but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends and gains are derived from sources within the PRC. Such income tax on the dividends may be reduced pursuant to a tax treaty between China and other jurisdictions.

Pursuant to the EIT Law, the expenses of an enterprise for the research and development of new technologies, new products and new process may be additionally calculated and deducted when calculating the taxable amount of incomes. The implementation rules of the EIT Law specifies that, the term "additional deduction of research and development expenses" means that, where the research and development expenses that are actually incurred for the purpose to develop new technologies, new products and new crafts and do not constitute intangible assets are recorded into the current profit or loss, such expenses shall be deducted from the taxable income for the current year at 50% of the actual amount incurred in the current year and on an actual basis as required; if intangible assets are constituted, such expenses shall be amortized at 150% of the costs of the intangible assets before tax.

Value-added Tax

The PRC Value-Added Tax Law (《中華人民共和國增值稅法》) has been promulgated by the SCNPC on December 25, 2024, and became effective on January 1, 2026. Entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, or immoveables, or import goods within the territory of the People's Republic of China are taxpayers of VAT, and shall pay VAT in accordance with this Law. Pursuant to the VAT Law, the VAT rate will be: (1) 13%, for taxpayers' sale of goods, labor services of processing, repairs or replacement, or tangible movable property leasing services or import of goods, except for those specified in subparagraphs 2, 4 and 5 herein; (2) 9%, for taxpayers' sale of transportation, postal, basic telecommunications, construction, or immovable leasing services, sale of immovables, transfer of the rights to use land, or sale or import of the following goods, except for those specified in subparagraphs 4 and 5 herein; (3) 6%, for taxpayers' sale of services or intangible assets, except for those specified in subparagraphs 1, 2 and 5 herein; (4) Zero, for taxpayers' export of goods, except it is otherwise provided for by the State Council; (5) Zero, for the sale of services or intangible assets within the scope as prescribed by the State Council by domestic entities and individuals across national borders.

Dividends Distribution

The principal laws, rules and regulations governing dividend distributions by foreign invested enterprises in the PRC are the PRC Company Law, promulgated in 1993 and latest amended in 2023, and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds have reached 50% of the registered capital of the enterprises. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

The PRC Securities Law (《中華人民共和國證券法》), which was promulgated by the Standing Committee of the National People's Congress on December 29, 1998, and was latest amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The PRC Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Overseas Listing Trial Measures. Under Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Trial Measures provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Provision on Confidentiality"). Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Regulations on Full Circulation of H shares

The Company shall comply with regulations on the H share "full circulation" to converse its domestic shares into H shares and circulate on the Hong Kong Stock Exchange. Pursuant to the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Amendment) (《H股公司境內未上市股份申請"全流通"業務指引(2023修正)》), or the Guidelines for the "Full Circulation", promulgated and implemented by the CSRC on November 14, 2019 and revised on August 10, 2023, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China.

According to the Overseas Listing Trial Measures, "Full Circulation" represents the shareholders of domestic unlisted shares of domestic companies, which directly offer and list securities in overseas markets, converting its domestic unlisted shares into foreign listed shares circulating in overseas markets. The shareholders of domestic unlisted shares shall authorize the domestic company to file the "Full Circulation" application with CSRC by filing materials on key compliance issues, including whether the "Full Circulation" has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the "Full circulation" involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed.

SANCTIONS LAWS AND REGULATIONS

Hogan Lovells, our International Sanctions Legal Advisors, have provided the following summary of the sanctions regimes imposed by their respective jurisdictions. This summary does not intend to set out the laws and regulations relating to the U.S., the European Union, the United Kingdom and Australian sanctions in their entirety.

U.S.

Treasury regulations

OFAC is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity's domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies' foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens ("green card" holders), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest — no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) — except pursuant to an authorization or license from OFAC.

OFAC's comprehensive sanctions programmes currently apply to Cuba, Iran, North Korea, Syria, the Crimea region of Russia/Ukraine, and the self-proclaimed Luhansk People's Republic (LPR) and Donetsk People's Republic (DPR) regions (the comprehensive OFAC sanctions programme against Sudan was terminated on October 12, 2017). OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

European Union

Under European Union sanction measures, there is no “blanket” ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Person and not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures, provided that no funds and economic resources are made available to the Sanctioned Persons.

United Kingdom and United Kingdom overseas territories

As of January 1, 2021, the United Kingdom is no longer an European Union member state. European Union law including European Union sanctions measures continued to apply to and in the United Kingdom until December 31, 2020. European Union sanctions measures had also been extended by the United Kingdom on a regime by regime basis to apply in the United Kingdom overseas territories, including the Cayman Islands. Starting from January 1, 2021, the United Kingdom applies its own sanctions programs and has extended its autonomous sanctions regimes to apply to and in the United Kingdom overseas territories.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

U.S. OUTBOUND INVESTMENT SECURITY PROGRAM REGULATIONS

On October 28, 2024, the U.S. Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “Final Rule”), which became effective on January 2, 2025. The Final Rule imposes prohibitions and notification requirements on U.S. persons participating in a range of investment transactions into China (including Hong Kong and Macau) in entities engaged in “Covered Activities” involving sensitive technologies critical to national securities in three sectors, namely, (1) semiconductors and microelectronics, (2) quantum information technologies, and (3) AI systems with applications that pose national security risks (collectively, “Covered Foreign Persons”).

Specifically, a “Covered Activity” is any of the activities referred to in the definitions of “Notifiable Transaction or “Prohibited Transaction.” A “Notifiable Transaction” includes certain covered transactions involving a Covered Foreign Person engaged in Covered Activities in the AI sector, including certain activities not described in the Prohibited Transaction definition and the development of “any AI system” that is (1) designed to be used for any military end use, or government intelligence or mass-surveillance end use; (2) intended by the Covered Foreign Person or joint venture to be used for any of the following, including (i) cybersecurity applications, (ii) digital forensics tools, (iii) penetration testing tools, or (iv) the control of robotic systems; or (3) trained using a quantity of computing power greater than 10^23 computational operations.

A “Prohibited Transaction” includes (1) certain covered transactions involving a Covered Foreign Person engaged in certain activities in the semiconductors and microelectronics, quantum information technologies, and AI sectors, including, of relevance for the AI sector, the following Covered Activities: (i) developing any AI system that is designed to be exclusively used for, or which the relevant Covered Foreign Person intends to be used for, any military end use, or government intelligence or mass-surveillance end use, or (ii) developing any AI system that is trained using a quantity of computing power greater than 10^25 computational operations, or 10^24 computational operations using primarily biological sequence data; or (2) certain covered transactions involving a Covered Foreign Person that is engaged in a Covered Activity and that is (i) included on the Bureau of Industry and Security's ("BIS") Entity List or Military End User List, (ii) a "Military Intelligence End-User," as defined by BIS, (iii) included on the U.S. Department of the Treasury's SDN List, or is 50% or majority owned by individuals or entities on the SDN List, (iv) included on the U.S. Department of the Treasury's list of Non-SDN Chinese Military-Industrial Complex Companies, or (v) designated as a foreign terrorist organization by the Secretary of State.

Although we are engaged in the development of our AI systems, such AI systems are not designed for any end use that are listed and restricted under the Final Rule, such as military end use, government intelligence or mass surveillance end use, or use for cybersecurity applications, digital forensic tools, penetration test tools, or the controls of robotic systems. In addition, while we are continuing to advance our AI capabilities, such AI systems have not yet been extensively commercialized across our full customer base. Furthermore, our AI systems are not trained with a restricted quantity of computing power under the Final Rule (i.e., trained using a quantity of computing power greater than 10^23 computational operations). Thus, as advised by our International Sanctions Legal Advisors, based on our currently launched products and solutions, in particular, the end use and the computing power used to train our AI systems as discussed above, we are not a Covered Foreign Person as defined under the Final Rule.

OUR HISTORY AND DEVELOPMENT

Overview

We are a smart parking space operator facilitating the transformation of urban parking. Our history can be traced back to June 2006, when our Company was founded as a limited liability company in the PRC by Mr. Sun, Mr. Huang and Mr. Ke Xing (柯興). Mr. Sun and Mr. Huang are our founders. Mr. Sun is a widely recognized technical expert, a distinguished entrepreneur and a business leader with a proven track record and strong industry recognition. Mr. Huang is a distinguished entrepreneur with extensive investment experience. Under their leadership and management over almost two decades, we achieved stable development. We rank No. 2 in China's smart parking space operation industry with a market share of 3.3% in terms of relevant revenue in 2024*, according to the CIC Report. Mr. Ke Xing is a founding Shareholder who had exited at an early time of our development.

As of the Latest Practicable Date, Mr. Sun and Mr. Huang, who have entered into the joint control arrangements, were entitled to collectively control 53.65% of the voting power at the general meetings of our Company. Upon the Listing, Mr. Sun and Mr. Huang will collectively control 48.28% of the voting power at the general meetings of our Company, assuming the Over-allotment Option is not exercised. Therefore, Mr. Sun, Mr. Huang and Hualong Electronics constituted as of the Latest Practicable Date and will continue to constitute upon the Listing a group of Controlling Shareholders. See "— Joint Control Arrangements" for details of the joint control arrangements between Mr. Sun and Mr. Huang, "Relationship with Our Controlling Shareholders" for details of the controlling interest held by them, and "Directors and Senior Management — Board of Directors" for their biographical details.

Business Milestones

The following table illustrates our major business milestones:

Year	Major events and milestones
2006	Our Company was incorporated in June.
	We introduced parking space availability LED indicators (車位指示燈) into our parking space guidance system (車位引導系統).
2007	Our domestically invented parking space guidance system was introduced into the Northpoint City in Singapore.
2010	We developed a vehicle search system that combined parking space guidance function and video-based vehicle search function.
2012	Marking the commencement of the "ticketless" era, we promoted a video-based ticketless parking fee management system for parking facilities.
2014	We launched the mobile smart parking platform "*Speed Parking (速停車)*".
	Our smart parking facility empowered with WeChat Pay was successfully launched in Xiamen, China.
2017	We innovated our business model to offer cloud-based remote management of unattended parking facilities.

* China's smart parking space operation industry is relatively fragmented, with the top five players accounting for an aggregate market share of 17.4% in terms of smart parking space operation revenue in 2024. The largest and third largest smart parking space operators in China has a market share of 6.1% and 3.1% in terms of relevant revenue in 2024, respectively.

Year	Major events and milestones
2018	We received investment from Tencent.
2020	We were among the first in China's smart parking space operation industry to promote the cloud migration of parking metering core system.
2023	Keytop West Communications Technology Co., Ltd., our headquarter in Southwest China, was established.
	We launched our *YongCe Pro*, the first smart parking operation system in China.
	We were the first in the industry to introduce a global parking AI training center, allowing for a tailor-made AI model for each different parking facility.
2024	We devoted our efforts into the digitalization of parking management and continuously promoted rapid system iteration, to improve our parking facility management and increase the revenue from parking facility management.
2025	We launched an online parking space rental platform to serve long-term parking users, which leverages digital channels to improve parking space utilization and to create new business growth drivers.

OUR PRINCIPAL SUBSIDIARIES

The following entities were our subsidiaries which made a material contribution to our results of operation during the Track Record Period and up to the Latest Practicable Date:

Name	Place of Incorporation	Date of Incorporation and Commencement of Business	Principal Business Activities	Percentage of equity interest held by our Company as of the Latest Practicable Date
Xiamen Keytop Software Research and Development Center Co., Ltd. (廈門科拓軟件研發中心有限公司) ("Keytop R&D Center") . .	China	September 2, 2016	Software research and development	100%
Fujian Subo Parking Services Co., Ltd. (福建速泊停車服務有限公司) ("Fujian Subo")	China	December 17, 2018	Parking services	100%
Keytop West Communications Technology Co., Ltd. (科拓西部通訊技術有限公司) ("Keytop West")	China	July 29, 2022	IoT technology services	100%

MATERIAL ACQUISITION AND DISPOSAL

Throughout the Track Record Period and up to the Latest Practicable Date, we did not have any material acquisition or disposal.

CORPORATE DEVELOPMENT OF OUR COMPANY

Incorporation and Our Early Developments

Our Company was incorporated as a limited liability company in the PRC on June 27, 2006 with Mr. Sun and Mr. Ke Xing as the founding Shareholders and a registered capital of RMB500,000. Upon incorporation, our Company was owned by Mr. Sun and Mr. Ke Xing as to 30.00% and 70.00%, respectively. Mr. Huang was Mr. Ke Xing's friend and business partner who had managed their investment portfolio together at the early time of their careers. Mr. Huang was invited by Mr. Ke Xing to participate in the founding of our Company and served as our Company's sole supervisor subsequent to our Company's incorporation.

In early 2009, with a view to being more focused on his other businesses, Mr. Ke Xing decided to rearrange his investment portfolio and disposed of his equity interest in our Company. Meanwhile, Mr. Huang, in the course of his participation in our Company's management, became confident in our long-term development prospects. In January 2009, Mr. Ke Xing entered into equity transfer agreements with each of Mr. Huang and Mr. Sun, pursuant to which, Mr. Huang and Mr. Sun acquired 51.00% and 19.00% of the equity interest held by Mr. Ke Xing in our Company at a consideration of RMB255,000 and RMB95,000, respectively, being the par value of the relevant registered capital of our Company. The consideration was determined on an arm's length basis, taking into consideration Mr. Ke Xing's role as a passive financial investor and that our Company was at the start-up stage of our development. Subsequent to the completion of the equity transfers in January 2009, Mr. Ke Xing ceased to be our Shareholder.

Our Company has received additional share capital contributed by our Controlling Shareholders since 2009 and several rounds of pre-IPO investments from reputable institutions and experienced investors since 2011. See "— Pre-IPO Investments" for details of our pre-IPO investments.

Mr. Huang's Family Entrustment Arrangement and Termination

On May 8, 2009, Mr. Huang entered into an equity transfer agreement with Mr. Zhang Huarong (張華容), the brother of Ms. Zhang Dongmei (張東梅) ("Ms. Zhang"), Mr. Huang's spouse, pursuant to which Mr. Huang transferred to Mr. Zhang Huarong, as the nominee holding the equity interest on behalf of Mr. Huang and Ms. Zhang, 51.00% of the equity interest in our Company at par value. Among such equity interest, 12.172% and 38.828% of the equity interest in our Company was held on behalf of Mr. Huang and Ms. Zhang, respectively (the "Family Entrustment Arrangement"). The Family Entrustment Arrangement was entered into as part of the family arrangement between Mr. Huang and Ms. Zhang for marital estate planning purpose, and as Mr. Huang and Ms. Zhang, who have overseas business with Mr. Huang having foreign permanent residency, wished to have a nominee permanently resided in Fujian, the PRC to handle local corporate secretarial duties such as document execution and corporate registration filing with the administration for market regulation in his capacity as the registered holder of our Company. In recognition of good corporate governance with a clear shareholding structure and to facilitate a potential initial public offering on the domestic stock exchange, after a series of equity transfers, in September 2015, the Family Entrustment Arrangement was ultimately terminated and Mr. Huang and Ms. Zhang had been holding their respective equity interest in our Company directly or through Hualong Electronics (as the case may be), up until Ms. Zhang transferred all of her equity interest in our Company to Mr. Huang in December 2024 with a view to streamlining our corporate management. The equity transfer was made at par value as agreed between the couple under the family arrangement. As advised by our PRC Legal Advisors, the Family Entrustment Arrangement and its termination did not violate mandatory provisions of PRC laws.

Joint Stock Reform

On August 6, 2011, our then Shareholders, being our promoters, passed resolutions approving, among others, the conversion of our Company into a joint stock company with limited liability in the PRC. In accordance with an audit report of our Company issued by an independent accountant, as of June 30, 2011, the audited net asset value of our Company was RMB11,576,220.06, among which, RMB11.0 million was converted into 11,000,000 Shares with a nominal value of RMB1.00 each and the remaining RMB576,220.06 was converted into capital reserve. Our Shares upon conversion were subscribed for by our then Shareholders in proportion to their respective equity interest in our Company immediately before the conversion. The joint stock reform was completed on August 28, 2011. The shareholding structure of our Company upon completion of the joint stock reform was as follows:

Shareholders	Number of Shares held by such Shareholder	Shareholding percentage
Controlling Shareholders and Nominee		
Mr. Sun	4,411,000	40.10%
Mr. Huang	1,100,000	10.00%
Mr. Zhang Huarong[1]	3,509,000	31.90%
Pre-IPO Investors		
Shanghai Dehui Investment Management Co., Ltd. (上海德輝投資管理有限公司) (“Shanghai Dehui”) [2]	1,222,100	11.11%
Mr. Tan Kun (談坤) [2]	464,200	4.22%
Mr. Li Jun (李軍) [2]	293,700	2.67%
Total	**11,000,000**	**100%**

(1) Mr. Zhang Huarong, held the Shares on behalf of Mr. Huang and his spouse, Ms. Zhang, under the Family Entrustment Arrangement. See “— Corporate Development of Our Company — Mr. Huang’s Family Entrustment Arrangement and Termination” for details.

(2) On April 15, 2011, Shanghai Dehui, Mr. Tan Kun and Mr. Li Jun subscribed for 11.11%, 4.22% and 2.67% of the equity interest in our Company at a consideration of RMB3.0 million, RMB1.1 million and RMB0.7 million, respectively. See “— Pre-IPO Investments — 2. Principal Terms of the Pre-IPO Investments — Equity Subscriptions in 2011” for details.

Acquisition of Shares by Our Employees Shareholding Platform in 2015

In order to provide incentive to our employees and senior management members, our then Shareholders adopted a share incentive scheme (the “2015 Share Incentive Scheme”) on April 1, 2015, and Xiamen Juhua Investment Management Partnership (Limited Partnership) (廈門聚鏵投資管理合夥企業(有限合夥)) (currently known as Xiamen Juhua Enterprise Management Consulting Partnership (Limited Partnership) (廈門聚鏵企業管理諮詢合夥企業(有限合夥)) (“Xiamen Juhua”), a limited partnership established under the PRC law on May 13, 2015, was designated as a share incentive platform on the same day by our then Shareholders. In June 2015, Xiamen Juhua entered into an equity transfer agreement with Mr. Sun and Mr. Huang, pursuant to which, Xiamen Juhua acquired 2.58% and 2.68% of the equity interest in the Company at a consideration of RMB1,960,000 and RMB2,040,000, respectively. The consideration was determined with reference to the then valuation of our Company and the relevant employees’ and senior management members’ contributions. Upon the completion of the equity transfer on June 24, 2015, Xiamen Juhua held 5.26% of the equity interest in our Company.

Capital Reserve Capitalization in 2015

In August 2015, our then Shareholders resolved to capitalize the capital reserve of our Company, pursuant to which, RMB17,134,526 out of the capital reserve was applied to the registered capital of our Company at nominal value of RMB1.00 per Share (the “First Capital Reserve Capitalization”). The Shares held by each of our then Shareholders was increased accordingly in proportion to their respective equity interest in our Company immediately before the First Capital Reserve Capitalization and the total registered capital of our Company increased to RMB30,000,000.

Capital Reserve Capitalization in 2016

In February 2016, our then Shareholders resolved to capitalize the capital reserve of our Company, pursuant to which, RMB7,566,667 out of the capital reserve was applied to the registered capital of our Company at nominal value of RMB1.00 per Share (the "Second Capital Reserve Capitalization"). The Shares held by each of our then Shareholders was increased accordingly in proportion to their respective equity interest in our Company immediately before the Second Capital Reserve Capitalization and the total registered capital of our Company increased to RMB39,900,000.

Acquisition of Shares by Our Employees Shareholding Platform in 2020

To enable our employees and senior management members to share benefits from the long-term development of our Company, in July 2020, Xiamen Tuojulian Enterprise Management Consulting Partnership (Limited Partnership) (廈門拓聚連企業管理諮詢合夥企業(有限合夥)) ("Xiamen Tuojulian"), an employees shareholding platform, entered into an equity transfer agreement with Hualong Electronics, pursuant to which, among others, Xiamen Tuojulian acquired 0.13% of the equity interest in the Company from Hualong Electronics at a consideration of RMB2.2 million. The consideration was determined on an arm's length basis with reference to the then valuation of our Company and fully settled in March 2021.

Capital Reserve Capitalization in 2020

On October 23, 2020, our then Shareholders resolved to capitalize the capital reserve of our Company, pursuant to which, RMB38,430,586 out of the capital reserve was applied to the registered capital of our Company at nominal value of RMB1.00 per Share (the "Third Capital Reserve Capitalization"). The Shares held by each of our then Shareholders was increased accordingly in proportion to their respective equity interest in our Company immediately before the Third Capital Reserve Capitalization and the total registered capital of our Company increased to RMB90,000,000.

Acquisition of Shares by Our Employees Shareholding Platform in 2023

In order to provide incentive to our employees and senior management members, our then Shareholders adopted a share incentive scheme (the "2023 Share Incentive Scheme") on January 20, 2023, and Xiamen Tuojuxin Enterprise Management Consulting Partnership (Limited Partnership) (廈門拓聚鑫企業管理諮詢合夥企業(有限合夥)) ("Xiamen Tuojuxin"), was designated as a share incentive platform on the same day by our then Shareholders. In February 2023, Xiamen Tuojuxin entered into a capital increase agreement with Mr. Sun, Ms. Zhang, Mr. Huang, Hualong Electronics, Xiamen Juhua, Xiamen Suming Enterprise Management Consulting Partnership (Limited Partnership) (廈門速銘企業管理諮詢合夥企業(有限合夥)) ("Xiamen Suming") and our Company, pursuant to which, Xiamen Tuojuxin subscribed for 1,010,329 Shares at a consideration of RMB15.7 million. The consideration was determined with reference to the then valuation of our Company with a discount having considered the relevant employees' and senior management members' contributions, and fully settled in April 2023. Upon completion of the Shares subscription, Xiamen Tuojuxin held 1.11% of the equity interest in our Company.

JOINT CONTROL ARRANGEMENTS

Pursuant to the joint control arrangements under the joint control agreement dated October 8, 2015 (as amended and restated in April 2021 and March 2023, respectively), among others, (i) Mr. Sun and Mr. Huang would act in concert at the Board meetings and the general meetings of our Company from the date of this agreement up until 36 months after the Listing to realize the joint control over our Group; and (ii) in the event where they are unable to reach a consensus on a resolution before the general meetings, they shall abstain from voting on the relevant resolution. Mr. Sun and Mr. Huang may renew the joint control agreement upon expiry as they deem appropriate.

PRE-IPO INVESTMENTS

1. Overview

To fund our rapid business expansion and diversify our Shareholder base, we have conducted several rounds of pre-IPO investments, which benefits us in various respects, including, among others, the capital funds the pre-IPO investors invested in our Company as well as their business resources, networks, knowledge and experience.

2. Principal Terms of the Pre-IPO Investments

Name of Pre-IPO Investor	Date of agreement	Date of settlement	Number of Shares subscribed for/ acquired	Consideration	Cost per Share[1]	Post-money valuation of our Company	Discount to the Offer Price[2]
				(RMB million)		(RMB million)	
Equity Subscriptions in 2011							
Shanghai Dehui[3]	April 15, 2011	April 28, 2011	432,099	3.0	RMB0.49	45.0	98.58%
Mr. Tan Kun[3]	April 15, 2011	April 28, 2011	164,198	1.1	RMB0.49	45.0	98.58%
Mr. Li Jun[3]	April 15, 2011	April 28, 2011	103,704	0.7	RMB0.49	45.0	98.58%
Equity Transfers in 2014							
Yu Yunhui (余雲輝)[4]	December 29, 2014	November 17, 2014	424,000	8.7	RMB4.07	250.1	88.18%
Chongqing Huaben Electronic Information Venture Capital Center (Limited Partnership) (重慶華犇電子信息創業投資中心(有限合夥)) ("Chongqing Huaben")[5]	December 29, 2014	November 14, 2014	798,200	16.3	RMB4.07	250.1	88.18%
Capital Increase in 2015							
Xiamen Suming	June 12, 2015	July 8, 2015	643,274	15.0	RMB4.64	300.0	86.52%
Equity Subscriptions in 2016							
Yu Sheng (余盛)	January 28, 2016	January 29, 2016	1,566,666	44.7	RMB13.23	921.5	61.57%
Yu Li (余麗)	January 28, 2016	February 2, 2016	266,667	7.6	RMB13.23	921.5	61.57%
Shanghai Dayun Pingyi Investment Management Co., Ltd. (上海大雲平移投資管理有限公司) ("Dayun Pingyi")[6]	January 28, 2016	February 2, 2016	333,333	9.5	RMB13.23	921.5	61.57%
Fan Hongli (范宏立)[7]	January 28, 2016	January 29, 2016	166,667	4.8	RMB13.23	921.5	61.57%
Equity Subscription in 2018							
Linzhi Lixin Information Technology Co., Ltd. (林芝利新信息技術有限公司) ("Linzhi Lixin")	August 3, 2018	August 20, 2018	2,009,924	50.0	RMB14.25	1,045.6	58.61%
Ningbo Meishan Bonded Area Panhong Equity Investment Partnership (寧波梅山保税區磐鴻股權投資合夥企業(有限合夥)) ("Panhong Investment")[8]	August 3, 2018	August 27, 2018	120,076	3.0	RMB14.25	1,045.6	58.61%
Equity Transfers in 2019 to 2020							
Xiamen Shan'erli Enterprise Management Partnership (Limited Partnership) (廈門善而利企業管理合夥企業(有限合夥)) ("Xiamen Shan'erli")	September 26, 2019	November 5, 2019	242,261	6.9	RMB16.36	1,200.0	52.48%
Panhong Investment[8]	September 26, 2019	October 24, 2019	558,999	16.0	RMB16.36	1,200.0	52.48%
Xiamen Zhengzhi Equity Investment Partnership (Limited Partnership) (廈門正志股權投資合夥企業(有限合夥)) ("Zhengzhi Investment")	September 26, 2019	October 24, 2019	210,150	6.0	RMB16.36	1,200.0	52.48%

Name of Pre-IPO Investor	Date of agreement	Date of settlement	Number of Shares subscribed for/ acquired	Consideration	Cost per Share[(1)]	Post-money valuation of our Company	Discount to the Offer Price[(2)]
				(RMB million)		*(RMB million)*	
Jin Xiaoqi (金孝奇)[(9)]	September 26, 2019	October 22, 2019	42,030	1.2	RMB16.36	1,200.0	52.48%
Zhengzhi Investment[(5)(9)]	January 20, 2020	March 23, 2020	2,101,500	60.0	RMB16.36	1,200.0	52.48%
	February 17, 2020	March 22, 2020	42,030	1.2	RMB16.36	1,200.0	52.48%
Xiamen Falcon Qicheng Equity Investment Partnership (Limited Partnership) (廈門市獵鷹啓程股權投資合夥企業(有限合夥)) ("Falcon Qicheng")[(5)(8)]	January 20, 2020	March 20, 2020	195,334	5.6	RMB16.36	1,200.0	52.48%
Investments in 2020							
Equity Subscriptions in 2020							
Mr. Peng Jianhu (彭建虎)	February 18, 2020	February 24, 2020	2,401,714	80.0	RMB19.09	1,556.0	44.55%
Chongqing Jiatuo Tiancheng Enterprise Management Partnership (Limited Partnership) (重慶加拓添成企業管理合夥企業(有限合夥)) ("Jiatuo Tiancheng")	February 18, 2020	February 20, 2020	2,281,629	76,0	RMB19.09	1,556.0	44.55%
Linzhi Lixin	March 19, 2020	May 20, 2020	1,200,857	40.0	RMB19.09	1,666.0	44.55%
Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)) ("Suzhou Paiyi")	March 19, 2020	May 27, 2020	1,200,857	40.0	RMB19.09	1,666.0	44.55%
Chongqing Hongtai Zhiying Equity Investment Center (Limited Partnership) (重慶洪泰致盈股權投資中心(有限合夥)) ("Hongtai Zhiying")	March 2, 2020	May 15, 2020	900,643	30.0	RMB19.09	1,666.0	44.55%
Xiamen Fulv Century Jinyuan Equity Investment Partnership (Limited Partnership) (廈門福旅世紀金源股權投資合夥企業(有限合夥)) ("Fulv Century")	October 8, 2020	December 11, 2020	1,553,714	52.5	RMB19.36	1,742.5	43.77%
Equity Transfers in 2022 to 2023							
Hongtai Zhiying[(8)]	December 18, 2022	December 22, 2022	1,809,524	38.0	RMB21.00	1,890.0	39.00%
Mr. Peng Jianhu	April 10, 2023	April 13, 2023	1,350,000	28.4	RMB21.00	1,911.2	39.00%
Jianji Capital[(10)]	May 19, 2023	May 30, 2023	181,200	3.8	RMB21.00	1,911.2	39.00%
Equity transfer in 2025							
Xiamen Suming	January 24, 2025	February 11, 2025	62,261	1.0	RMB15.92	1,911.2	53.76%

(1) With respect to the equity subscriptions in 2011, the amount is calculated by dividing the consideration paid by the relevant investor by the number of Shares held by him/it upon completion of the joint stock reform of our Company and adjusted by taking into consideration of the impact from the enlargement of our Company's registered capital as a result of three rounds of the capital reserve capitalizations. With respect to the other rounds of investments, the amount is calculated by dividing the consideration paid by the relevant investor by the number of Shares held by him/her/it in the relevant round of investment and adjusted by taking into consideration of the impact from the enlargement of our Company's registered capital as a result of three rounds of the capital reserve capitalizations (as the case may be).

(2) The discount to the Offer Price is calculated based on the Offer Price of HK$39.55 per Share.

(3) On January 1, 2014 and June 30, 2014, Hualong Electronics entered into an equity transfer agreement and a supplemental agreement with each of Mr. Li Jun and Mr. Tan Kun, pursuant to which, among others, Mr. Li Jun and Mr. Tan Kun agreed to transfer 2.67% and 2.83% of the equity interest in the Company to Hualong Electronics at a consideration of RMB2.7 million and RMB2.8 million, respectively. In addition, on April 15, 2014 and May 31, 2014, Mr. Tan Kun entered into an equity transfer agreement and a supplemental agreement with Mr. Sun, pursuant to which, among others, Mr. Tan Kun agreed to transfer 1.39% of the equity interest in the Company to Mr. Sun at a consideration of RMB1.4 million. On January 1, 2014 and April 1, 2014, Shanghai Dehui entered into an equity transfer agreement and a supplemental agreement with each of Mr. Sun and Mr. Huang, pursuant to which, among others, Shanghai Dehuis agreed to transfer 4.82% and 6.30% of the equity interest in the Company to Mr. Sun and Mr. Huang at a consideration of RMB4.8 million and RMB6.3 million, respectively. The consideration was determined on an arm's length basis with reference to our

Company's then business operations and future prospects and fully settled on December 30, 2014. Upon completion of such equity transfer, Shanghai Dehui, Mr. Tan Kun and Mr. Li Jun, each an Independent Third Party, ceased to be our Shareholders.

(4) On December 29, 2014, Mingpin Catering Management (Suzhou) Co., Ltd. (銘品餐飲管理(蘇州)有限公司) ("Mingpin Catering") entered into an equity transfer agreement with each of Yu Yunhui and Chongqing Huaben, pursuant to which, among others, Mingpin Catering agreed to transfer 3.47% and 6.53% of the equity interest in the Company held by Mingpin Catering at a consideration of RMB8.7 million and RMB16.3 million, respectively. The consideration was determined on an arm's length basis with reference to our Company's then business operations and future prospects. Upon completion of such equity transfers, Mingpin Catering ceased to be our Shareholder.

(5) On January 20, 2020, Chongqing Huaben entered into an equity transfer agreement with each of Falcon Qicheng and Zhengzhi Investment, pursuant to which, among others, Chongqing Huaben agreed to transfer 0.46% and 5.00% of the equity interest in the Company held by Chongqing Huaben at a consideration of RMB5.6 million and RMB60.0 million, respectively. The consideration was determined on an arm's length basis with reference to our Company's then business operations and future prospects. Upon completion of such equity transfer on March 23, 2020, Chongqing Huaben ceased to be our Shareholder.

(6) On June 1, 2020, as an internal reorganization arrangement, Dayun Pingyi transferred all its 0.82% of the equity interest in the Company to Yiwu Datuo Equity Investment Partnership (Limited Partnership) (義烏大拓股權投資合夥企業(有限合夥)) ("Yiwu Datuo") at a consideration of RMB9.5 million. Dayun Pingyi is a company with limited liability incorporated in the PRC wholly owned by Shanghai Fuiou Financial Services Group Co., Ltd. (上海富友金融服務集團股份有限公司) ("Fuiou Group"), an Independent Third Party. Fuiou Group is the sole limited partner of Yiwu Datuo which held 99% of the partnership interest in Yiwu Datuo. The consideration was determined on an arm's length basis with reference to the consideration of the relevant Shares subscribed for by Dayun Pingyi on January 28, 2016. Upon completion of such equity transfer, Dayun Pingyi ceased to be our Shareholder.

(7) On June 11, 2020, as an internal reorganization arrangement, Fan Hongli transferred all his 0.41% of the equity interest in the Company to Fan Zijing (范子靖) at a consideration of RMB4.8 million. Fan Hongli is the father of Fan Zijing. The consideration was determined on an arm's length basis with reference to the consideration of the relevant Shares subscribed for by Fan Hongli on January 28, 2016. Upon completion of such equity transfer, Fan Hongli ceased to be our Shareholder.

(8) On December 18, 2022, Xiamen Zhengchu Equity Investment Partnership (Limited Partnership) (廈門正儲股權投資合夥企業(有限合夥)) ("Zhengchu Investment", previously known as "Panhong Investment"), Falcon Qicheng, Zhengzhi Investment and Hongtai Zhiying entered into an equity transfer agreement, pursuant to which, among others, Zhengchu Investment, Falcon Qicheng and Zhengzhi Investment agreed to transfer to Hongtai Zhiying 1.32%, 0.38% and 0.31% of the equity interest in the Company at a consideration of RMB24.9 million, RMB7.2 million and RMB6.0 million, respectively. The consideration was determined on an arm's length basis with reference to our Company's then business operations and future prospects and fully settled on December 22, 2022. Upon completion of such equity transfer, Zhengchu Investment and Falcon Qicheng ceased to be our Shareholders.

(9) On February 17, 2020, Jin Xiaoqi entered into an equity transfer agreement with Zhengzhi Investment, pursuant to which, among others, Jin Xiaoqi agreed to transfer all the 0.10% of the equity interest in the Company held by Jin Xiaoqi at a consideration of RMB1.2 million. The consideration was determined on an arm's length basis with reference to our Company's then business operations and future prospects. Upon completion of such equity transfer on March 22, 2020, Jin Xiaoqi ceased to be our Shareholder.

(10) On January 6, 2025, Jianji Capital entered into an equity transfer agreement with Hualong Electronics, pursuant to which, Jianji Capital agreed to transfer all its 0.20% of the equity interests in our Company at a consideration of RMB4.1 million. The consideration was determined on an arm's length basis with reference to our Company's then business operations and future prospects and fully settled on January 26, 2025. Upon completion of such equity transfer, Jianji Capital ceased to be our Shareholder.

Use of proceeds from the pre-IPO investments: Our Company utilized the proceeds from the subscriptions under the pre-IPO investments for our R&D investment, general operation and business development. As of December 31, 2025, the proceeds had been fully utilized.

Strategic benefits the pre-IPO investments brought to our Company: Our Company would benefit from the additional capital injected to our Company from the pre-IPO investments, our pre-IPO investors' business resources, knowledge and experience, and potential business opportunities and benefits that may be provided by them.

Basis for determination of the consideration paid:	The consideration for the pre-IPO investments were determined based on arm's length negotiations between the Company and the pre-IPO investors, taking into account the timing of the investments and the then business operations and financial performance of our Group. The price for the equity transfers between the existing Shareholders may show a discount to the then valuation of our Company, as the parties may take into account other factors when determining the consideration, including but not limited to, the relationship between the transferer and transferee and the liquidity status of the parties. For example, (1) Fan Hongli is the father of Fan Zijing and the equity transfer between them in June 2020 was made at par value due to their family arrangement, and (2) the equity transfer to Xiamen Suming from Hualong Electronics, one of the Controlling Shareholders, in January 2025 was to incentivize certain employees who are also the limited partners of Xiamen Suming and therefore a discount was provided by the Controlling Shareholders when deciding the transfer price.
Lock-up period:	Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all existing Shareholders (including our pre-IPO investors) could not dispose of any of the Shares held by them.

3. Public Float and Free Float

Our Company has made an application for a H-share "Full Circulation", which has been approved by the CSRC and pursuant to which, a total of 88,153,289 Domestic Shares will be converted into H Shares on a one-for-one basis upon the completion of the Global Offering.

Of such H Shares to be converted from Domestic Shares and listed on the Stock Exchange following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares:

(a) 56,474,417 H Shares (representing approximately 55.85% of our total issued Shares upon the Listing (assuming that the Over-allotment Option is not exercised)) will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the Listing, as 48,823,407 H Shares will be held by our Controlling Shareholders and 7,651,010 H Shares will be held by Xiamen Suming, Xiamen Juhua, Xiamen Tuojuxin and Xiamen Tuojulian which are controlled by Mr. Xu Lihua (徐麗華), our vice general manager and a director of our subsidiaries acting as their general partner; and

(b) the remaining 31,678,872 H Shares (representing approximately 31.32% of our total issued Shares upon the Listing (assuming the Over-allotment Option is not exercised)) will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing as such Shareholders are not core connected persons of our Company upon the Listing nor accustomed to take instructions from our Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company's core connected persons.

The 2,857,040 Domestic Shares that will not be converted into H Shares (representing approximately 2.83% of our total issued Shares upon the Listing (assuming the Over-allotment Option is not exercised)) will not be considered as part of the public float as the Domestic Shares will not be converted into H Shares and will not be listed on the Stock Exchange following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares.

See "Share Capital — Conversion of Domestic Shares into H Shares" for more details of the H Shares to be converted from Domestic Shares and listed on the Stock Exchange following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares.

Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected market value at the time of listing of our H Shares does not exceed HK$6 billion, 25% of the total number of H Shares must at the time of the Listing be held by the public. Based on an Offer Price of HK$39.55 per Offer Share, the market value of H Shares will be HK$3,886.4 million (assuming the Over-allotment Option is not exercised), and therefore the minimum prescribed public float applicable to our Company as required is 25%. Immediately upon completion of the Global Offering and the Conversion of Domestic Shares into H Shares, taking into account 10,112,280 H Shares to be offered pursuant to the Global Offering (assuming the Over-allotment Option is not exercised and on the basis that no Offer Share will be allocated to the core connected persons of our Company or their close associates), an aggregate of 41,791,152 H Shares will count towards the public float of our Company, representing 41.33% of the total issued Shares of our Company which is in compliance with the requirement under Rule 8.08(1) (as amended and replaced by Rule 19A.13A(1)) of the Listing Rules.

Pursuant to Rule 19A.13C(1) of the Listing Rules, where a new listing applicant is a PRC issuer with no other listed shares at the time of listing, the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50.0 million; or (b) have an expected market value at the time of listing of not less than HK$600.0 million.

10,112,280 H Shares, which are to be offered pursuant to the Global Offering (assuming the Over-allotment Option is not exercised and on the basis that no Offer Share will be allocated to the core connected persons of our Company or their close associates) representing 10.00% of the total number of issued Shares with an expected value of approximately HK$399.9 million based on the Offer Price, will count towards the free float of our Company. Therefore, our Company will be able to satisfy the requirement under Rule 19A.13C(1)(a) of the Listing Rules.

4. Special Rights of the Pre-IPO Investors

In connection with the pre-IPO investments, our pre-IPO investors were granted certain special rights, including but not limited to anti-dilution right, pre-emption right, right of first refusal, tag-along right, repurchase right, preference in liquidation and information right and the right to nominate director candidates. All special rights granted to our pre-IPO investors had been terminated as of June 17, 2021. Accordingly, our Company did not have any obligation to fulfil the abovementioned special rights during the Track Record Period, and therefore no financial liability has been recorded in the historical financial information as set out in the Accountants' Report in Appendix I to this prospectus with respect to the special rights.

5. Information relating to Our Principal Pre-IPO Investors

Set out below is a description of our principal pre-IPO investors, being the investors which have made meaningful investments in our Company (each holding 1.00% or above of the registered capital at the Latest Practicable Date), including equity funds and strategic or financial investment corporations and individuals.

Jiatuo Tiancheng Group

Jiatuo Tiancheng is a limited partnership established under the laws of the PRC on January 14, 2020. As of the Latest Practicable Date, the general partner of Jiatuo Tiancheng was Tu Posu (塗珀溯), who held 0.07% of the partnership interest in Jiatuo Tiancheng. There were six limited partners of Jiatuo Tiancheng, including Mr. Peng Jianhu, who held 92.11% of the partnership interest in Jiatuo Tiancheng. Jiatuo Tiancheng is primarily engaged in enterprise management and equity investment. To our best knowledge, each of Tu Posu and Mr. Peng Jianhu is an Independent Third Party. We became acquainted with Jiatuo Tiancheng through introduction by other investors.

Mr. Peng Jianhu has extensive experience in corporate management and investment. Mr. Peng Jianhu currently serves as a director in Chongqing Guanda Holding Group Co., Ltd. (重慶冠達控股集團有限公司), a company focusing on equity investment in traveling, agricultural, technology and internet industries. Previously, he served as the chairman of the board of directors and president in Chongqing New Century Cruise Co., Ltd. (重慶新世紀遊輪股份有限公司), which is currently known as Giant Network Group Co., Ltd. (巨人網絡集團股份有限公司), a company listed on the Shenzhen Stock Exchange with a focus on traveling and cruise management (stock code: 002558.SZ) from March 1998 to July 2016. We became acquainted with Mr. Peng Jianhu through introduction by other investors.

Tencent Investors

Linzhi Lixin is a company with limited liability incorporated under the laws of the PRC on October 26, 2015. Suzhou Paiyi is a limited partnership established under the laws of the PRC on November 6, 2019. Both general partners of Linzhi Lixin and Suzhou Paiyi are the subsidiaries of Tencent Holdings Limited ("Tencent"). Tencent is an Independent Third Party. We became acquainted with Linzhi Lixin and Suzhou Paiyi through business cooperation in the operation of *"Speed Parking"*.

Tencent is a company listed on the Main Board of the Stock Exchange (stock code: 700 (HKD Counter) and 80700 (RMB Counter)). Tencent is principally engaged in the provision of communication, social, digital content, games, marketing, fintech and cloud services in the PRC.

Zhengzhi Investment

Zhengzhi Investment is a limited partnership established under the laws of the PRC on August 22, 2017. As of the Latest Practicable Date, the general partner of Zhengzhi Investment was Xiamen Falcon Investment Management Co., Ltd. (廈門市獵鷹投資管理有限公司) ("Falcon Capital"), which was owned by Xie Jianhua (謝建華) as to 32%, Chen Meilian (陳美蓮) as to 17.45%, Fu Xiaofeng (傅曉楓) as to 17.45%, Huang Danlin (黃丹琳) as to 13.09%, Xiamen Falcon Gaoxiang Investment Partnership (Limited Partnership) (廈門獵鷹高翔投資合夥企業(有限合夥)) as to 10% and Xiamen Falcon Kaixuan Investment Partnership (Limited Partnership) (廈門獵鷹凱旋投資合夥企業(有限合夥)) as to 10%, respectively. There were three limited partners of Zhengzhi Investment, including Huang Xuankai (黃炫凱) and Zhou Chunqin (周春琴), who held 38.11% and 33.09% of partnership interest in Zhengzhi Investment, respectively. As of the Latest Practicable Date, Zhengzhi Investment was an affiliate of Falcon Capital, a reputed venture capital with a focus on the emerging technology industry in China. To our best knowledge, each of Xie Jianhua, Chen Meilian, Fu Xiaofeng, Huang Danlin, Xiamen Falcon Gaoxiang Investment Partnership (Limited Partnership), Xiamen Falcon Kaixuan Investment Partnership (Limited Partnership), Huang Xuankai and Zhou Chunqin is an Independent Third Party. We became acquainted with Zhengzhi Investment through an event organized by the Management Committee of Xiamen Torch Development Zone for High Technology Industries (廈門火炬高技術產業開發區管理委員會).

Hongtai Zhiying

Hongtai Zhiying is a limited partnership established under the laws of the PRC on November 14, 2018. As of the Latest Practicable Date, the general partner of Hongtai Zhiying was Hongtai Jiachuang (Chongqing) Equity Investment Fund Management Center (Limited Partnership) (洪泰嘉創(重慶)股權投資基金管理中心(有限合夥)) ("Hongtai Jiachuang"), whose general partner was in turn Qingdao Xinchen Science and Technology Innovation Industry Co., Ltd. (青島鑫宸科創實業有限公司), a company with limited liability owned by Mr. Sheng Xitai (盛希泰) as to 60%, Mr. Yu Minhong (俞敏洪) as to 10%, and the other three shareholders. The sole limited partner of Hongtai Jiachuang was Chongqing Jiahao Enterprise Management Consulting Co., Ltd. (重慶嘉蒿企業管理諮詢有限公司), a company with limited liability owned by Luo Qufei (駱去非) as to 73% and the other two shareholders. There were 12 limited partners of Hongtai Zhiying, none of which held more than 30% of partnership interest in Hongtai Zhiying. Hongtai Zhiying is an affiliate of Hongtai Aplus, a fund founded in 2014 by Mr. Yu Minhong, the reputed entrepreneur, and Mr. Sheng Xitai, the former director of Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司), with a focus on equity investment in advanced manufacturing, information technology, new materials, new energy, and healthcare industries. To our best knowledge, each of Mr. Sheng Xitai and Luo Qufei is an Independent Third Party. We became acquainted with Hongtai Zhiying through introduction by other investors.

Yu Sheng

Yu Sheng is an experienced entrepreneur in asset and enterprise management. Yu Sheng founded Shanghai Yusheng Asset Management Co., Ltd. (上海余盛資產管理有限公司), a company with limited liability principally engaged in asset management in 2013. As of the Latest Practicable Date, Yu Sheng served as the executive director of Shanghai Yusheng Asset Management Co., Ltd. To the best knowledge of our Company, Yu Sheng is an Independent Third Party. We became acquainted with Yu Sheng through introduction by Mr. Huang, who is a friend of Yu Sheng.

Xiamen Suming

With a view to exploring the future business opportunities and sharing the benefits from our development, Xiamen Suming was promoted as a shareholding platform by certain individual investors who were also reputable local entrepreneurs acting as the limited partners and capital contributors of Xiamen Suming. Mr. Xu Lihua, our vice general manager, acts as the sole general partner holding a nominal partnership interest of 0.00065% in Xiamen Suming. The major limited partners and external investors, who are Independent Third Parties, include Luo Qufei, Zhuo Xiaoneng (卓小能), Chen Qunyi (陳群毅), Qiu Kunlin (邱坤林), Li Hongyang (李紅陽) and Wang Zhongtao (王忠濤), holding 16.35%, 15.70%, 11.77%, 3.14%, 1.30% and 1.24% of the partnership interest in Xiamen Suming, respectively. The remaining partnership interest is held by our certain employees.

Fulv Century

Fulv Century is a limited partnership established under the laws of the PRC on September 30, 2020. As of the Latest Practicable Date, the general partner of Fulv Century was Fujian Huamin Lianxin Private Equity Fund Management Co., Ltd. (福建華閩聯信私募基金管理有限公司) ("Huamin Lianxin Fund"), previously known as Fujian Fulv Lianxin Fund Management Co., Ltd. (福建福旅聯信基金管理有限公司), which was owned by Shanghai Lianxin Jusheng Venture Capital Management Co., Ltd. (上海聯信聚盛創業投資管理有限公司) ("Lianxin Jusheng") as to 52%, Fujian Huamin Industrial Group Co., Ltd. (福建華閩實業(集團)有限公司) as to 28% and Shanghai Water Conservancy Investment Construction (Group) Co, Ltd. (上海水利投資建設(集團)有限公司) as to 20%. Lianxin Jusheng was a company with limited liability owned by Liao Baoqin (廖寶琴) as to 48.82%, Shanghai Minxin Biaogan Enterprise Management Partnership Enterprise (Limited Partnership) (上海閩信標桿企業管理合夥企業(有限合夥)) ("Minxin Fund") as to 48.80% and Shen Qiufeng (沈秋楓) as to 2.38%. The general partner of Minxin Fund was Shanghai Jinsinan Asset Management Co., Ltd. (上海金司南資產管理有限公司), which was owned by Liao Shuanghui (廖雙輝) and Liao Baoqin as to 83.33% and

16.67%, respectively. There were two limited partners of Minxin Fund, including Huang Zhihong (黃志紅) who held 79.36% of partnership interest in Minxin Fund. There were two limited partners of Fulv Century, including Ningbo Meishan Bonded Area Tengyun Yuansheng Equity Investment Partnership (Limited Partnership) (寧波梅山保稅區騰雲源晟股權投資合夥企業(有限合夥)) ("Tengyun Yuansheng"), which held 99.78% of partnership interest in Fulv Century. The general partner of Tengyun Yuansheng was Century Tengyun Investment Management Co., Ltd. (世紀騰雲投資管理有限公司), which was wholly owned by Tibet Tengyun Investment Co., Ltd. (西藏騰雲投資管理有限公司) ("Tibet Tengyun"), which was wholly owned by Huang Tao (黃濤). Tibet Tengyun was also the sole limited partner of Tengyun Yuansheng, which held 99% of partnership interest in Tengyun Yuansheng. Huamin Lianxin Fund was a private equity fund with a focus on cultural tourism and urban renewal. To the best knowledge of our Company, each of Liao Baoqin, Liao Shuanghui, Huang Zhihong, Shen Qiufeng and Huang Tao is an Independent Third Party. We became acquainted with Fulv Century through introduction by a commercial bank.

Yu Yunhui

Yu Yunhui is an expert in economics and finance. Mr. Yu is the legal representative of Lantian Academy of Gutian County (古田縣藍田書院), which was principally engaged in education. In addition, since June 2013, Yu Yunhui has served as a director in Chengdu Olymvax Biopharmaceuticals Technology Co., Ltd. (成都歐林生物科技股份有限公司), a company principally engaged in the development, production and sales of vaccines, which was listed on the Shanghai Stock Exchange (stock code: 688319.SH). To the best knowledge of our Company, Yu Yunhui is an Independent Third Party. We became acquainted with Yu Yunhui through introduction by Mr. Huang, who is a friend of Yu Sheng.

6. Compliance with the Guide for New Listing Applicants

Based on the documents provided by the Company relating to the pre-IPO investments and on the bases that (i) the considerations for the pre-IPO investments were settled more than 28 clear days before the date of submission of the Listing application to the Stock Exchange and no less than 120 clear days before the Listing Date; and (ii) the special rights granted to the pre-IPO investors had been suspended or terminated prior to the submission of the application for the Listing, the Joint Sponsors confirm that the pre-IPO investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange.

7. PRC Legal Advisors' Confirmation

As advised by our PRC Legal Advisors, all necessary regulatory approvals, permits and licenses required under PRC laws in relation to the share transfers and increases in the register capital above have been obtained; and all share transfers and increases in the register capital above have complied with applicable PRC laws in all material respects.

EMPLOYEES SHAREHOLDING PLATFORMS

In recognition of the contributions of our management team and key employees that have made special contributions to the development of our Group, and to improve business management efficiency and to closely align the interests of the management team and key employees with our Company's long-term development, we adopted the 2015 Share Incentive Scheme and the 2023 Share Incentive Scheme on April 1, 2015 and January 20, 2023, respectively. Xiamen Juhua and Xiamen Tuojuxin were designated as our share incentive platforms.

According to the 2015 Share Incentive Scheme, the 2023 Share Incentive Scheme and the respective grant agreements, our certain senior management members and employees were granted awards and registered as the limited partners of the share incentive platforms upon vesting of their awards. All management and voting powers of the share incentive platforms are exercised by their general partner according to the partnership agreements, whereas the relevant management and employees as the limited partners of such share incentive platforms are entitled to the economic interest. As of the Latest Practicable Date, Xiamen Juhua and Xiamen Tuojuxin held 3.55% and 1.11% of our Shares, respectively, with Mr. Xu Lihua, our vice general manager, acting as the sole general partner holding 5.35% of the partnership interest in Xiamen Juhua and a nominal partnership interest in Xiamen Tuojuxin of 0.0001%.

Our other employees shareholding platforms, including Xiamen Tuojulian, Xiamen Hangjutuo Enterprise Management Consulting Partnership (Limited Partnership) (廈門杭聚拓企業管理諮詢合夥企業(有限合夥)) ("Xiamen Hangjutuo"), Xiamen Juhan Enterprise Management Consulting Partnership (Limited Partnership) (廈門聚漢企業管理諮詢合夥企業(有限合夥)) ("Xiamen Juhan") and Xiamen Juxiao Enterprise Management Consulting Partnership (Limited Partnership) (廈門聚嘯企業管理諮詢合夥企業(有限合夥)) ("Xiamen Juxiao"), were established from 2020 to 2022, with Mr. Xu Lihua acting as the sole general partner and holding a nominal partnership interest in Xiamen Tuojulian, Xiamen Hangjutuo, Xiamen Juhan and Xiamen Juxiao of 0.0009%, 0.0024%, 4.0177% and 0.0089%, respectively. As of the Latest Practicable Date, all limited partners of such employees shareholding platforms were our employees, except for Xiamen Suju Enterprise Management Consulting Partnership (Limited Partnership) (廈門速聚企業管理諮詢合夥企業(有限合夥)) ("Xiamen Suju"), an intermediary shareholding platform holding 2.79% of the partnership interest in Xiamen Juhua as a limited partner and established under the laws of the PRC in 2019 by five individual investors and capital contributors who were Independent Third Parties. As of the Latest Practicable Date, Mr. Xu Lihua acted as the sole general partner and held a nominal partnership interest of 0.0016% in Xiamen Suju. It was owned by its limited partners, Sha Yiquan (沙藝權) as to 23.81%, Cai Shaohua (蔡少華) as to 23.81%, Liu Binghui (柳炳輝) as to 23.81%, Wang Zhongtao (王忠濤) as to 15.87% and Weng Hongying (翁紅嬰) as to 12.70%, respectively.

PREVIOUS A-SHARE LISTING ATTEMPTS

Backgrounds

In April 2017, our Company submitted an application (the "First A-Share Listing Application") for listing of the Shares on the ChiNext Market of the Shenzhen Stock Exchange (the "SZSE"). In July 2017, we received enquiries from the CSRC which concerned our Company's corporate governance, historical shareholding changes, business operations and financial conditions, the prospectus disclosures issues and the professional parties' views and due diligence, which we believe were fairly preliminary enquiries in order to have a deeper understanding of our Group's governance, business operations and financial condition. Due to the adjustment of our strategies and the need for introduction of external investors which may result in prolong vetting process and uncertainty on listing timetable, in October 2017, we decided not to proceed with this listing plan temporarily and voluntarily withdrew our First A-share Listing Application. Whereas no response to the enquiries was provided before our withdrawal of the First A-share Listing Application, we consider such enquiries were immaterial and nothing in this regard shall be brought to the attention of the Stock Exchange and the general public. The First A-Share Listing Application had not been returned or rejected by the CSRC or the SZSE and remained valid prior to our withdrawal. During the process of the First A-share Listing Application, save for the reason as disclosed above, we did not encounter any material difficulties or legal impediments which led us to suspend the First A-share Listing Application.

In June 2021, our Company submitted another application (the "Second A-Share Listing Application") for listing of the Shares on the ChiNext Market of the SZSE. In February 2022, the SZSE performed an onsite inspection on the due diligence work of the then sponsor in connection with the Second A-Share Listing Application. The Second A-Share Listing Application was later referred to the ChiNext listing committee of the SZSE (深圳證券交易所創業板上市審核委員會) (the "ChiNext Listing Committee") for consideration. On August 30, 2022, the ChiNext Listing Committee decided not to approve our Second A-Share Listing Application due to certain offering conditions, listing conditions or information disclosure requirements not being satisfied.

In a letter of decision issued to our Company on August 30, 2022 by the SZSE on the termination of its vetting on the Second A-Share Listing Application, the SZSE had raised concerns on the growth during the then reporting period of one business segment, the deficiencies in maintaining acceptance records in support of the revenue recognition, the deficiencies in contract management and the effectiveness of our internal control system in light of the foregoing deficiencies, which were most associated with the SZSE's findings in its onsite inspection in February 2022. All enquires and concerns raised by the SZSE had been clarified to the SZSE in the process of the Second A-Share Listing Application, and to Xiamen Supervision Bureau of the CSRC (中國證券監督管理委員會廈門監管局) (the "CSRC Xiamen Bureau") by way of verbal report in October 2022 after our case was closed by the SZSE.

Internal Control and Rectification Measures

Since the first half of 2022, in response to the concerns and comments raised by the SZSE and its findings from the onsite inspection, we have implemented a series of internal control and rectification measures to improve our internal control system, particularly in contracts and other accounting records managements, including:

(1) we have formulated internal control standards and process standards for business management of each business unit, and standardized the key control points, documents and responsible persons in each contract management process;

(2) through our internal control department, we have organized training sessions and other publicity events to ensure our business personnel to understand and follow our internal contracts management protocol; the contract management has been placed as one key indicator for our business personnel's performance reviews;

(3) we have developed a contract dashboard through Business Intelligence system ("BI system") to manage and monitor the entire life cycle of a contract from execution to implementation, and realized the complete and standardized online management of contract related work flow; through monitoring the key control points on the BI system, we are able to ensure non-compliant or improper contracts management will not be proceeded;

(4) we have developed a joint review mechanism, through which our business center and financial department jointly review and monitor the implementation of our contracts management measures, and our internal control department and quality control center jointly perform sample checks on the effectiveness of such measures;

(5) we have amended our Document Management Policies (單據管理制度) to require that all necessary and proper acceptance documents shall be obtained and maintained; to incentivize our sales personnel to collect acceptance documents in a timely manner, the acceptance documents collection has been listed as one key indicator for our sales personnel's performance reviews;

(6) we have optimized the tracking function of the BI system, which enables us to track the delivery status of acceptance documents and highlights the projects completed one month after delivery;

(7) we have received written records from parking asset operators showing the identities of the parking asset owners and the cooperation periods between the operators and owners, before we entered into any business contract with the parking asset operators; and

(8) we have required the necessary clauses in business contract with parking asset operators, showing (i) the relationships between the parking assets operators and owners, (ii) the operation periods by the operators and (iii) the operators' commitment to perform the contractual obligations with such periods.

We have engaged an internal control consultant ("Internal Control Consultant") to perform an internal control review on our internal control systems, including those pertaining to our Group's financial reporting and such review of our Group's internal control system covered the period from January 1, 2024 to December 31, 2024 within the agreed scope in accordance with the Technical Bulletin — AATB1 "Assistance Options to New Applicants and Sponsors in connection with Due Diligence Obligations, including Internal Controls over Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. Our Group has implemented the rectification and improvement measures accordingly. The Internal Control Consultant performed a follow-up review our Group's remedial measures and no further recommendation has been raised by the Internal Control Consultant.

Our Directors consider that such measures are adequate to prevent recurrence of the issues underlying the SZSE's concerns and hence help ensure the genuineness, accuracy and completeness of our Group's revenue and costs recognized during the Track Record Period.

Directors' and Joint Sponsors' Views

Save for certain email enquiries issued by the Department of International Affairs, the CSRC in September 2025, which we have made responses to, we receive no further comment or enquiry from the SZSE or the CSRC subsequent to our verbal clarification with the CSRC Xiamen Bureau in October 2022. In addition, we have not received any further comment from the SZSE or the CSRC since we made our responses to the Department of International Affairs, the CSRC in September 2025. Our Directors confirm that all matters and comments in connection with the First A-Share Listing Application and the Second A-Share Listing Application raised by the SZSE have been addressed or otherwise resolved, and there was no disagreement between our Company and the working parties involving in the First A-Share Listing Application and the Second A-Share Listing Application. Based on the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on our Directors' view in any material respect that all matters or comments raised by the SZSE have been addressed or otherwise resolved.

To our Directors' best knowledge, our Directors are not aware of any matter or finding in connection with the First A-Share Listing Application or the Second A-Share Listing Application (including, without limitation, the key concerns raised by the SZSE) which might materially and adversely affect our Company's suitability for the Listing under Rule 8.04 of the Listing Rules and the suitability of our Directors under Rules 3.08 and 3.09 of the Listing Rules. Our Directors confirm that save as disclosed in this subsection, there is no other matter in relation to the First A-Share Listing Application and the Second A-Share Listing Application that should be brought to the attention of the Stock Exchange or potential investors. Having considered the views of our Directors above and based on the due diligence work performed by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors that would reasonably cause them to cast doubt on our Directors' views in any material respect that (i) they are not aware of any key concerns raised by the SZSE which might materially and adversely affect our Company's suitability for the Listing under Rule 8.04 of the Listing Rules and the suitability of the Directors under Rules 3.08 and 3.09 of the Listing Rules, and (ii) save as disclosed in this subsection, there is no other matter in relation to the First A-Share Listing Application and Second A-Share Listing Application that should be brought to the attention of the Stock Exchange or potential investors.

CAPITALIZATION OF OUR COMPANY

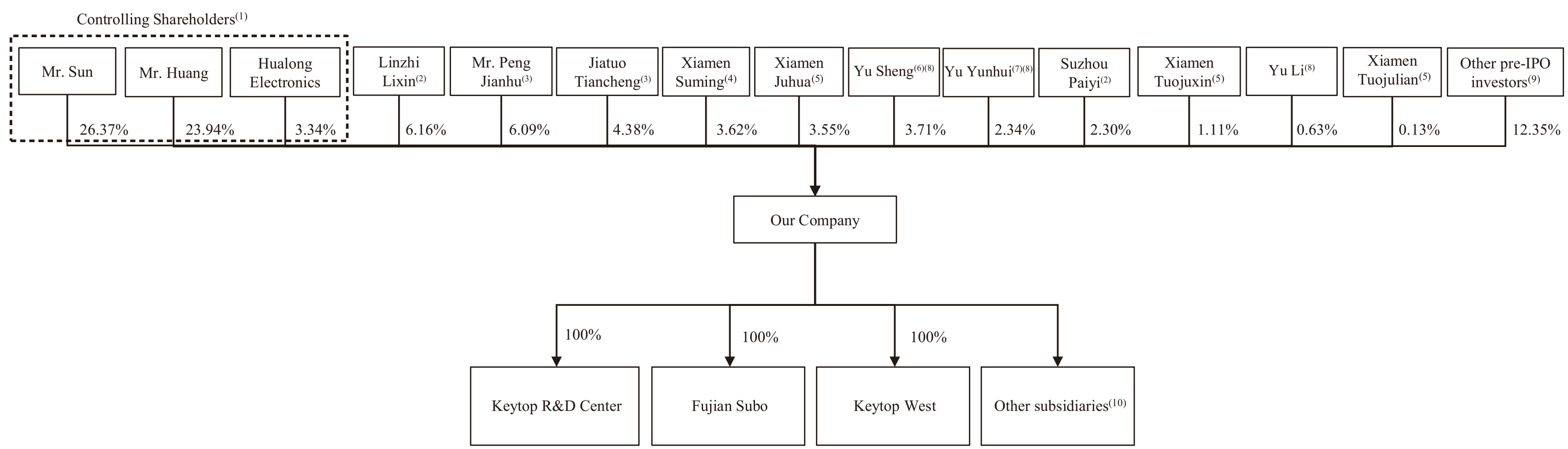
The following table sets out our Company's shareholding structure (a) as of the Latest Practicable Date and immediately before the Global Offering, and (b) immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised):

Name of Shareholder	Number of Shares as of the Latest Practicable Date, immediately before the Global Offering and immediately after the Global Offering	Shareholding percentage as of the Latest Practicable Date and immediately before the Global Offering	Shareholding percentage upon completion of the Global Offering(1)
Controlling Shareholders			
Mr. Sun	23,996,383	26.37%	23.73%
Mr. Huang	21,787,340	23.94%	21.55%
Hualong Electronics	3,039,684	3.34%	3.00%
Subtotal	48,823,407	53.65%	48.28%
Employees Shareholding Platforms			
Xiamen Juhua	3,230,457	3.55%	3.19%
Xiamen Tuojuxin	1,010,329	1.11%	1.00%
Xiamen Tuojulian	117,506	0.13%	0.12%
Subtotal	4,358,292	4.79%	4.31%
Jiatuo Tiancheng Group			
Mr. Peng Jianhu	5,541,520	6.09%	5.48%
Jiatuo Tiancheng	3,981,946	4.38%	3.94%
Subtotal	9,523,466	10.46%	9.42%
Tencent Investors			
Linzhi Lixin	5,603,521	6.16%	5.54%
Suzhou Paiyi	2,095,760	2.30%	2.07%
Subtotal	7,699,281	8.46%	7.61%
Zhengzhi Investment	3,824,204	4.20%	3.78%
Hongtai Zhiying	3,381,345	3.72%	3.34%
Yu Sheng	3,374,031	3.71%	3.34%
Xiamen Suming	3,292,718	3.62%	3.26%
Fulv Century	2,711,573	2.98%	2.68%
Yu Yunhui	2,129,288	2.34%	2.11%
Yiwu Datuo	717,879	0.79%	0.71%
Yu Li	574,305	0.63%	0.57%
Fan Zijing	358,941	0.39%	0.35%
Xiamen Shan'erli	241,599	0.27%	0.24%
Public Shareholders	—	—	10.00%
Total	**91,010,329**	**100%**	**100%**

(1) Assuming the Over-allotment Option is not exercised. For details of the Domestic Shares and H Shares held by the relevant Shareholders after completion of the Global Offering and the Conversion of Domestic Shares into H Shares, see "Appendix IV — Statutory and General Information — 1. Further Information about Our Company — C. Shareholding of the Existing Shareholders."

CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE GLOBAL OFFERING

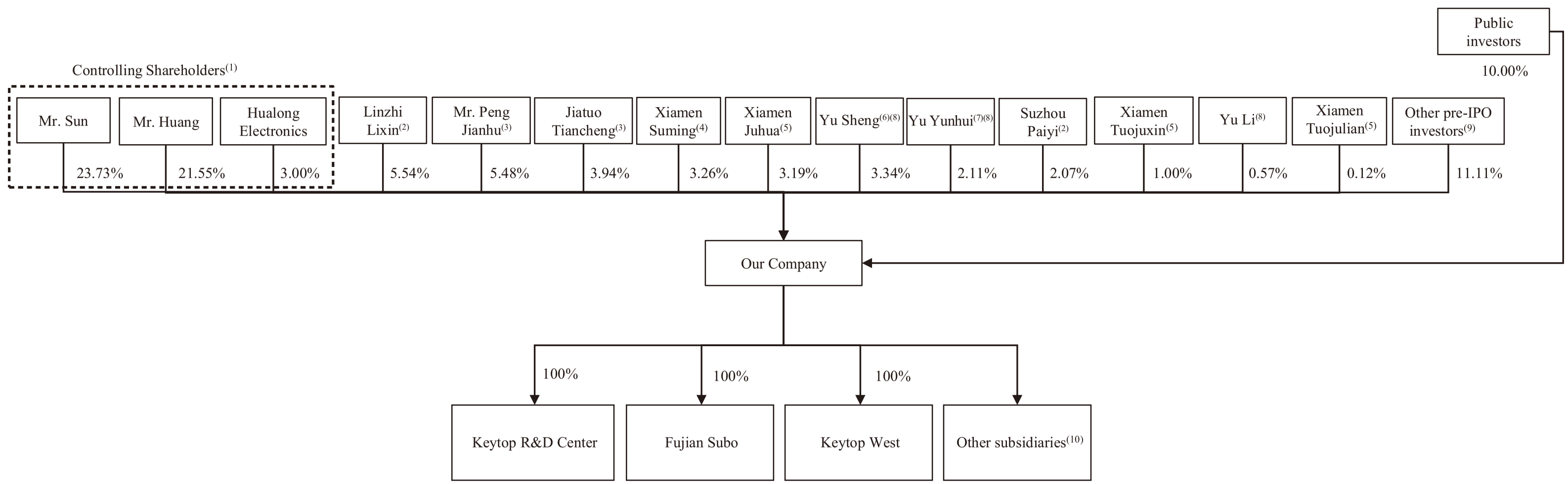
The following chart sets forth our corporate structure immediately prior to the Global Offering and the Conversion of Domestic Shares into H Shares:



(1) As of the Latest Practicable Date, Hualong Electronics was owned by Mr. Huang and Mr. Sun as to 51% and 49%, respectively. See "Relationship with Our Controlling Shareholders" for more details of the relationship among our Controlling Shareholders.
(2) Both general partners of Linzhi Lixin and Suzhou Paiyi are the subsidiaries of Tencent. See "— Pre-IPO Investment — 5. Information relating to Our Principal Pre-IPO Investors — Tencent Investors" for more details about Linzhi Lixin and Suzhou Paiyi.
(3) As of the Latest Practicable Date, Tu Posu was the general partner of Jiatuo Tiancheng holding 0.07% of the partnership interest in Jiatuo Tiancheng, and Mr. Peng Jianhu was a limited partner holding 92.11% of the partnership interest in Jiatuo Tiancheng. See "— Pre-IPO Investment — 5. Information relating to Our Principal Pre-IPO Investors — Jiatuo Tiancheng Group" for more details about Jiatuo Tiancheng and Mr. Peng Jianhu.
(4) See "— Pre-IPO Investment — 5. Information relating to Our Principal Pre-IPO Investors — Xiamen Suming" for the shareholding structure of Xiamen Suming.
(5) See "— Employees Shareholding Platforms" for the shareholding structures of Xiamen Juhua, Xiamen Tuojuxin and Xiamen Tuojulian.
(6) See "— Pre-IPO Investment — 5. Information relating to Our Principal Pre-IPO Investors — Yu Sheng" for more details about Yu Sheng.
(7) See "— Pre-IPO Investment — 5. Information relating to Our Principal Pre-IPO Investors — Yu Yunhui" for more details about Yu Yunhui.
(8) Yu Sheng, Yu Yunhui and Yu Li are siblings.
(9) See "— Capitalization of our Company" and "— Pre-IPO Investments — 5. Information relating to our principal Pre-IPO Investors" for details regarding other pre-IPO investors.
(10) For the details of other subsidiaries, please refer to "Statutory and General Information" in Appendix IV and the Accountants' Report in Appendix I to this prospectus.

CORPORATE STRUCTURE IMMEDIATELY AFTER GLOBAL OFFERING

The following chart set forth our corporate structure immediately after the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, without taking into account any H Share which may be issued upon the exercise of the Over-allotment Option:



(1)–(10) Please refer to the notes to the charts set out in "Corporate Structure Immediately Prior to the Global Offering" above.

(11) Immediately upon the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, 88,153,289 Domestic Shares (representing 87.17% of total issued Shares of the Company upon completion of the Conversion of Domestic Shares into H Shares and the Global Offering (assuming the Over-allotment Option is not exercised)) held by 20 existing Shareholders prior to the conversion will be converted into H Shares. Such Conversion of Domestic Shares into H Shares has been approved by the CSRC on April 2, 2026 and is still subject to the approval by the Stock Exchange. See "Appendix IV — Statutory and General Information — 1. Further Information about Our Company — C. Shareholding of the Existing Shareholders" for the respective numbers of Domestic Shares and H Shares held by the relevant Shareholders and the corresponding percentages of such Shares in the total issued share capital of our Company immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is exercised).

OVERVIEW

We are a smart parking space operator facilitating the transformation of urban parking. Since our inception in 2006, we have evolved into a parking industry group that integrates smart parking systems, smart parking management services and parking facility and platform operations. According to the CIC Report, we rank No. 2 in China's smart parking space operation industry with a market share of 3.3% in terms of relevant revenue in 2024*.

We focus on integrating technologies to connect the three key aspects of urban parking: people, vehicles and parking facilities. Leveraging our extensive industry experience and a broad network of parking facilities and users accumulated through nearly two decades of operation, we are well positioned to address large-scale demand for parking. In doing so, we aim to enhance management capabilities, improve operating efficiency and elevate service standards in urban parking, providing compelling value propositions for parking asset owners and operators on the one hand, and vehicle owners and drivers on the other. We also operates an online parking space rental platform, where owners of parking facilities and individual parking spaces can post their available spaces and vehicle owners and drivers can navigate and rent these spaces on demand, to further improve resource utilization in the parking space operation industry. As long-term rental users of our industry continue to grow rapidly, we believe that we can effectively benefit from the network effects generated by such platform and achieve sustainable growth.

We have constantly led the development of China's smart parking space operation industry through technology and innovation. According to the CIC Report, in 2006, we were the first to introduce parking space availability LED indicators in China, leading the transition from "blind parking" to the digital guidance era. In 2010, we pioneered vehicle search terminals incorporating video recognition technology to resolve the challenges for vehicle owners and drivers to locate their vehicles. In 2012, we were the first in the industry to promote and apply a video-based ticketless parking fee management system, and the first to enable WeChat Pay in 2014. In 2017, we innovated our business model to offer cloud-based remote management of unattended parking facilities. In 2023, we launched our *YongCe Pro (永策Pro)*, the first smart parking operation system in the industry.

Building on our strategic focus on technology and operations, we have developed a business portfolio that encompasses a wide range of products and services covering smart parking systems, smart parking management services and parking facility and platform operations. This enables us to connect different aspects of parking activities and address the diverse needs of parking asset owners and operators as well as vehicle owners and drivers. In 2023, 2024 and 2025, we served 22,497, 26,616 and 30,644 parking facilities, respectively.

- **Smart Parking Systems.** Leveraging IoT, mobile payments, big data and AI technologies, we have developed smart parking systems covering enclosed parking facilities, on-street parking spaces, pedestrian management and multi-parking facility management. Through the sales of our integrated smart parking systems comprising hardware, cloud-based software systems and user-end applications, as well as related implementation and maintenance services, we help parking facility owners and operators construct and upgrade their parking facilities and provide support throughout the process. Leveraging our keen insights into customer demands, we have forged strong ties with renowned enterprises in a wide array of industry verticals such as commercial development, residential real estate, cultural tourism, technology, logistics and public services. Notably, we have collaborated closely with esteemed customers including China Resources Group, China Overseas Holdings Limited and China Vanke Co., Ltd., among others. With nearly 20 years of operational experience

* China's smart parking space operation industry is relatively fragmented, with the top five players accounting for an aggregate market share of 17.4% in terms of smart parking space operation revenue in 2024. The largest and third largest smart parking space operators in China has a market share of 6.1% and 3.1% in terms of relevant revenue in 2024, respectively.

and data accumulation, we have established a proprietary data middle platform, which lays a solid digital foundation for our global AI parking training center and for our smart parking management services and parking facility and platform operations businesses.

- **Smart Parking Management Services.** We offer highly efficient smart parking management services using an integrated online-offline model, which are designed around the core values of unattended oversight, informed decision-making and refined operational management. This involves installing our smart parking systems as tools, and enabling centralized 24/7 monitoring by our remote command center for regular inspections and timely interventions. We are also responsible for access control, parking fee management, on-site management, personnel operational training, etc. We spearhead the transformation of parking management from a traditional, labor-intensive, subjective experience-based approach to a standardized, data-driven paradigm. This approach reduces operating costs and boosts management efficiency for parking asset owners and operators, while also improving the parking experience for vehicle owners and drivers.

  Through our self-developed AI-native applications, such as "AI kiosk," "AI parking manager" and "AI customer service agent," we significantly reduce manpower investments and achieve remarkable improvements in parking management efficiency. For example, we use AI kiosks to remotely replace on-site personnel and employ various AI-powered functions, therefore reducing traditional labor investments from a kiosk agent to lane ratio of 3:1 to 1:200, where one kiosk agent can manage 200 entrance and exit lanes simultaneously. Additionally, leveraging our *YongCe Pro*, the first smart parking operation system in China, we effectively coordinate and manage multiple parking facilities to achieve optimal efficiency.

- **Parking Facility and Platform Operations.** Drawing on extensive data, proprietary technology and deep industry experience, we have extended our business to further innovate the operational models of parking facilities and, more importantly, maximize the monetization of parking assets. By combining data-driven insights and scenario-based innovation, we implement targeted operational optimization initiatives for parking facilities, including optimizing pricing strategies based on market benchmarking, demand conditions and usage patterns, increasing parking utilization and exploring additional revenue streams. Through these efforts, we have reshaped parking management by transforming parking facilities from mere support structures into proactive, profit-generating businesses. To date, we have developed multiple operational models under our parking facility and platform operations business, covering (1) integrated operations, including contract operation and off-peak usage collaboration, (2) value-added operations, including charging station collaboration, parking voucher collaboration and advertising collaboration, and (3) platform operations, including online parking fee payment platform, i.e., *Speed Parking (速停車)*, and online parking space rental platform.

  Leveraging the network effects generated by our online parking space rental platform, we are able to build an online parking resource pool and promote the collaborative growth of parking space owners and long-term parking space renters. Premised upon the data-driven insights we derive, we can effectively promote the integration of autonomous parking technologies, improving its accuracy and supporting broader parking applications.

We experienced steady growth during the Track Record Period. Our smart parking systems, smart parking management services and parking facility and platform operations are applied across a growing number of scenarios and geographical regions globally. We also have seen a notable improvement in our financial performance. Our revenue increased by 8.3% from RMB738.0 million in 2023 to RMB799.5 million in 2024, and further increased by 3.9% to RMB830.6 million in 2025. Such revenue growth during the Track Record Period was primarily driven by the expansion of our parking facility and platform operations business, the revenue from which increased by 28.2% from RMB96.9 million in 2023 to RMB124.2 million in 2024, and further by 40.9% to RMB175.1 million in 2025. We had net profit of RMB87.0 million, RMB86.7 million and RMB93.7 million in 2023, 2024 and 2025, respectively, and adjusted net profit (non-IFRS measure) of RMB89.4 million, RMB91.7 million and RMB121.9 million in the same years, respectively. See "Financial Information — Discussion of Major Profit or Loss Items — Non-IFRS Measure" for a reconciliation of our profit and total comprehensive income for the year to adjusted net profit (non-IFRS measure).

MARKET OPPORTUNITY

Urban parking plays a crucial role in the urban transportation system, and its efficiency and management level have a direct impact on urban traffic flow, resource utilization, and residents' travel experience. According to the CIC Report, China is the largest country in the world in terms of vehicle parc, with its vehicle parc reaching 345.7 million by the end of 2024. In the meantime, the number of parking spaces in China was only 190.0 million, with a ratio of vehicles to parking spaces of 1:0.5, according to the same source, which is well below the ideal ratio ranging from 1:1.1 to 1:1.5 pursuant to the Planning Guidelines for Urban Parking Facilities issued by the PRC Ministry of Housing and Urban-Rural Development. This gap between supply and demand is a major factor contributing to urban parking difficulties for vehicle owners and drivers as well as intensified urban traffic congestion. This, coupled with the sustained growth in parking needs in China, have generated a demand for expanding parking infrastructure and optimizing the utilization efficiency of existing parking facilities, thereby propelling the development of the parking space operation industry in China. According to the CIC Report, the market size of China's parking space operations in terms of revenue is expected to continue to increase from RMB864.0 billion in 2025 to RMB1,196.6 billion in 2029, representing a CAGR of 8.5%.

The parking sector in China is facing a number of pain points. First, there is a notable mismatch between the supply and demand of parking spaces. In addition, the transition to green and low-carbon urban parking facilities is lagging behind, which hinders the overall sustainable development of urban transportation. Furthermore, many parking facilities operate under a traditional, rudimentary model and suffer from low utilization of their parking resources, which limits their ability to grow revenues and profits. As parking facilities increasingly evolve towards larger, more centralized, and more automated models, it is imperative for the urban parking sector to go through transformation, which will facilitate the rapid growth of smart parking space operators. The market size of China's smart parking space operations in terms of revenue is expected to increase from RMB33.6 billion in 2025 to RMB91.9 billion in 2029, representing a CAGR of 28.6%, according to the CIC Report. Smart parking space operators' penetration in the overall parking space operation market in China is also expected to grow rapidly, from 3.9% of the overall market size in 2025 to 7.7% in 2029, according to the same source. See "Industry Overview."

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our continued success and set us apart from our competitors.

A recognized smart parking space operator with decades of innovation track record

We are a pioneer laying the foundation for the transformation of urban parking. Over our nearly two decades of development, we have supported numerous industry customers and accumulated extensive industry insights and experience in project implementation and management. We have constantly achieved industry breakthroughs and introduced various pioneering technologies and products throughout our development, which positions us at the forefront to capitalize on the significant growth opportunities. In particular, according to the CIC Report:

- We were the first to introduce parking space availability LED indicators into the parking space guidance system in China in 2006, leading the transition from "blind parking" to the digital guidance era. Benchmark projects include Shenzhen Kexing Science Park.

- We were the first domestic player to export a complete set of parking space guidance system overseas by launching it at Northpoint City in Singapore in 2007. Benchmark projects include Kraków Airport in Poland.

- We pioneered vehicle search terminals incorporating video recognition technology in 2010, which, combined with the parking space guidance system, created an integrated video-based solution. Benchmark projects include the new headquarters of China Central Television, Al Maryah Central in Abu Dhabi and Nanjing Deji Plaza.

- We were the first to promote and apply a video-based ticketless parking fee management system in 2012 and first to enable WeChat Pay into parking fee management in 2014. Benchmark projects include Shanghai Pudong International Airport and Beijing SKP-S.

- We were the first to introduce front-mounted ultrasonic detectors with integrated detection and indication functions in 2012. Benchmark projects include Chongqing Times Center and Shanghai Pudong Costco.

- We innovated the business model to offer cloud-based remote management of unattended parking facilities in 2017, and were among the first in China's smart parking space operation industry to promote the cloud migration of parking metering core system in 2020, connecting nearly 28,000 parking facilities over the cloud.

- We were the first in the industry to introduce a global parking AI training center in 2023, allowing for a tailor-made AI model for each different parking facility.

- We launched our *YongCe Pro* in 2023, which is the first and only smart parking operation system in the industry. Benchmark projects include the city-level smart parking project of Banan district, Chongqing and Zhengzhou Yinji Plaza.

Our business portfolio offers significant advantages over traditional parking management methods. Customers have seen remarkable improvements in operating costs and efficiency as well as in revenue generation. On one hand, we are able to help increase the overall traffic flow rate within parking facilities. Additionally, our customers can benefit from improved after-sales operations and maintenance efficiency, as well as faster restoration of traffic flow following on-site anomalies. On the other hand, customers can achieve an up to 130% increase in retail parking net revenue and an up to 48% increase in overall parking-facility revenue. Furthermore, we contribute to energy conservation and emissions reduction, supporting broader environmental protection efforts.

Our extensive industry experience and diversified business portfolio have positioned us as an internationally recognized brand, attracting a growing number of renowned customers and further enlarging our market share. According to the CIC Report, our "KEYTOP (科拓)" brand and the affiliated *Speed Parking (速停車)* are among the most recognized brands in the smart parking space operation industry in terms of exposure and awareness.

Solid technology capabilities and technology-driven, data-oriented business insights

We have consistently viewed innovation as our growth engine and invested significantly in R&D and technological advancements. Leveraging our accumulated expertise and technology capabilities in the smart parking space operation industry, we have developed a diversified business portfolio, which allows us to effectively outperform traditional parking software and differentiate ourselves in the competitive market landscape. Unlike software service providers, we boast a broad range of self-developed hardware and software, effectively minimizing business disruptions in integrating different vendors' offerings. The integration of hardware and software also allows for unified monitoring and management of our smart parking systems to ensure stability, security and compatibility and enables us to continuously incorporate the latest technologies. Moreover, as an integrated parking industry group with diverse business models and extensive operational resources, we continuously accumulate experience and gather customer demands through parking asset operation projects to iterate our software systems. In the meanwhile, we are better positioned to quickly respond to the evolving customer demands with our value-added operations services, thereby reinforcing our collaboration with customers.

Specifically, our in-house R&D efforts have yielded multiple industry-leading products:

- We have launched the first-in-kind smart parking operation system in China, our *YongCe Pro*, which has achieved commercialization application rapidly. *YongCe Pro* differentiates itself from traditional parking software that focuses on basic parking tasks by providing enterprise resource planning and customer relationship management functionalities, thereby filling the gap in parking management and operations. Moreover, *YongCe Pro* addresses the demands for data capabilities in coordinating multiple parking facilities at optimal costs leveraging its built-in data models and management methodologies.

- We have developed two core AI-native applications, i.e., "AI kiosk" and "AI parking manager," to promote centralized management and build modern unattended parking facility models. By connecting parking facilities nationwide to our cloud command center, we use AI kiosks to remotely replace on-site personnel and employ various AI-powered functions, such as pre-processing, instant response, remote command and big data diagnostics. We also employ AI parking managers to handle complex issues such as customer complaints, traffic congestion, car accidents and equipment failures. In addition, we equip AI parking managers with functions including automated inspections, failure alerts and a work order scheduling system with dynamic resource allocation. These AI-native applications drastically reduce both on-site and back-end management costs while improving operational efficiency.

Our robust technological capabilities and integrated control over our offerings enable various tailor-made solutions and optimal operational efficiency. We perform the entire design and development process of our smart parking offerings in-house and maintain high quality control over production, leading to stable and reliable product performance, manageable overall costs and more flexibility for future upgrades and iterations. We are able to swiftly respond to and fulfill customized requirements therefore providing a compelling advantage in functionality and performance over single-product solution providers. Our cloud-native platform, by leveraging the platform architecture and plug-in modules, supports not only high availability and concurrency but also the diverse needs of each individual parking facility. Building on this platform and leveraging vast amounts of parking data and photos, we have established our own parking AI training center, which allows us to upgrade the front-end camera algorithms in real time to adapt to different scenarios. For example, our camera algorithms can be rapidly adapted to recognize license plates of different countries and regions, such as dual license plates in the Greater Bay Area, civil aviation plates, bilingual plates in the Middle East, etc., and scenarios involving tailgating, reversing and pedestrian intrusions, allowing for a tailor-made AI model for each different parking facility in different international markets.

We have developed a widely recognized platform that supports massive numbers of vehicles and parking facilities. Leveraging our extensive industry and data technology expertise, we extract valuable data insights into operations and industry trends, to guide our future development. We have established a proprietary data middle platform specific to the parking space operation industry by annotating and cleansing millions of parking data to train our AI decision-making models, therefore empowering parking facilities to operate on data-driven insights. Based on a dynamic parking behavior and parking facility characteristic matching algorithm, we are able to customize an off-peak dynamic pricing strategy for commercial complexes to improve profitability while providing city administrators with ancillary services such as simulation and planning for new energy vehicle parking layout. Our platform aggregates and continuously iterates its data engine with both consumer-side user data and business-side parking facility data, to effectively evolve from solving specific issues, solidifying industry insights, to validating scenario applications, and to exploring new business opportunities. As more users and parking facilities join our platform, we are well positioned to redefine the digital boundaries of the parking space operation industry.

Robust commercialization capabilities underpinned by diversified business portfolio and highly flexible and scalable business model

Our diversified business portfolio and highly flexible and scalable business model position us well to upgrade individual parking workflows and specific parking scenarios, and most importantly, to integrate resources across parking operations efficiently. With our smart, interconnected network of parking assets, we are allowed to enable smoother parking experience and more efficient management and operations, facilitating the transformation of the parking space operation industry. We have also been able to continually scale up our business and replicate our success in ever-expanding use cases. Approximately 40% of the parking facilities we served during the Track Record Period utilized more than one of our three business lines of smart parking offerings, demonstrating our capabilities in cross-selling multiple products and services and deepening customer engagement.

Leveraging our AI technology and smart, interconnected network, we connect parking facilities of different types and sizes across diverse industry verticals. To date, we have successfully addressed the upgrade needs across a wide range of scenarios, including large-scale commercial complexes, office buildings, residential communities, public facilities, hotels, scenic destinations, schools, hospitals and logistics parks, positioning us as a leading player in China in the diversity of vertical scenarios covered, according to the CIC Report. Drawing on our decades of expertise in urban smart parking, we are also highly adaptable to thoroughly understand the personalized and diverse needs of our customers and address them with targeted solutions. For example, we provide solutions tailored to the entire lifecycle of parking facilities from development, management to operations. For customers that need the design or upgrade of their existing parking facilities, we engage early to offer consultation that optimizes their key parking equipment and layout planning, such as parking layout, space allocation and driveway design and put forward recommendations for the installation of parking equipment, which brings in more business opportunities for ongoing management and operations services. For customers with established parking facilities, we conduct a thorough analysis to understand their present-day operations, pain points and needs and carefully consider how to best achieve upgrades by integrating our products services.

We offer a progressive business portfolio in a modular approach, where customers can mix and match based on their specific needs, thus facilitating transformation while avoiding extensive modifications. Specifically, by utilizing a combination of standardized hardware and modular software, we can flexibly and quickly respond to customers' personalized and diverse needs. Standardized hardware helps us avoid the complexities and high costs in configuring hardware specifications, while the modular software design adapts easily to customer requirements and local parking standards, allowing for continuous software upgrades. This approach significantly shortens our delivery cycle while maintaining customization costs at a relatively low level, which also translates into direct cost savings and operational agility for our customers. Furthermore, we support compatibility with our customers' legacy hardware and software systems, to minimize transformation costs.

Seasoned management team with high-caliber personnel

Our success is led by a seasoned management team in relentless pursuit of transforming urban parking. Their expertise in AI, data processing and system architecture design, in-depth industry acumen and extensive managerial and operational skills, have positioned us at the forefront of the rapidly evolving industry landscape.

At the helm is our founder, chairman of the Board and chief executive officer, Mr. Sun Longxi (孫龍喜), a leading figure in China's smart parking space operation industry. With over 20 years of experience in R&D and industrialization of smart parking technologies, Mr. Sun has transformed our Company into a leading technology platform, leveraging AIoT and big data to empower urban parking management and seize the significant growth opportunities. Mr. Sun's contributions have earned him numerous accolades from industry participants and government authorities, including recognition as an expert in the National Science and Technology Expert Database (國家科技專家庫) and as a Class A High-level Talent (高層次人才) in Fujian province. In addition, Mr. Sun has been enlisted in the Innovation Talent Advancement Program (創新人才推進計劃) by the Ministry of Science and Technology, and recognized as a leading talent in the "Double Hundred Plan" ("雙百計劃"領軍人才) of Fujian province. Mr. Sun has been awarded the Science and Technology Progress Award (科技進步獎) of Xiamen city twice. He is also a member of the Internet of Things Committee of the All-China Federation of Industry and Commerce (全國工商聯物聯網委員會).

We value talents as a key success factor in solidifying our competitive edge. We have a deep-bench R&D team with 215 members as of December 31, 2025. The management personnel of our R&D team have an average experience of over 10 years in R&D. They bring a wealth of theoretical and practical knowledge across various fields, including AI, big data, IoT, mobile application development and system architecture design. In addition, the members of our R&D management team have extensive experience in project management and R&D team leadership. Their diverse backgrounds and specialized skills contribute to the strength and innovation of our R&D initiatives. We have established a talent program to nurture and retain the best talents. We believe the robust backgrounds and collective experience of our employees will continue to drive our sustainable growth.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business.

Continue to invest in R&D and technologies and expand our talent pool

We will continue to invest heavily in R&D while aligning our efforts with industry trends to further enhance our R&D capabilities. We will enhance our AI-related proprietary technologies and their applications, prioritizing new products and technologies with substantial growth potentials. In particular, we aim to advance integrated smart parking platforms with a focus on real-time data analysis, adaptability and user-centered services. This will allow us to expand our business portfolio and customer base, ultimately strengthening our competitiveness.

We strive to developing smart parking technologies in-house and minimizing our reliance on external suppliers, in order to maintain our control over core technological capabilities and ensure rapid technology iteration. Therefore, we will continue to focus on building core competencies around image recognition algorithms, hardware (such as cameras and sensors), software and infrastructure, and assemble dedicated R&D teams. This will guarantee that the overall performance of our smart parking offerings remains at the forefront. We are also developing multi-modal sensing systems that integrate visual, radar and geomagnetic signals to improve accuracy in adverse environments. Furthermore, we aim to expedite the development of our cloud-native parking platform to improve its performance and adaptability. We will focus our investments on the computational infrastructure and R&D teams required for establishing a global AI training center dedicated to parking, to further develop its capabilities. We will also focus on developing our parking space rental platform, to effectively bridge together the supply and demand sides of parking assets. Moreover, we will leverage the operating data and customer feedback from parking facilities to construct a data-driven iterative mechanism for scenario-specific functions, thereby improving response efficiency and user interaction experience.

We plan to increase our investments in AI to drive the large-scale commercial application of AI technologies in parking scenarios. Our focus on will be on enhancing operational efficiency, commercial value and risk control through AI deployment. To improve efficiency and reduce costs, we will deepen AI integration by deploying a multi-modal decision-making AI agent cluster, which includes AI kiosk, AI parking manager, AI customer service agent and AI parking scheduling personnel supported by a knowledge base for multi-parking facility management and a closed-loop AI agent application and collaboration framework. We also intend to develop a platform for testing and comparing different versions to quickly validate new AI-driven functions and improve iteration speed. To elevate commercial value, we will build an AI-driven operational analysis hub of parking related operating data, to help formulate more commercially viable operational strategies and effectively expand revenue streams. In parallel, we will establish an AI-enabled risk control network to enhance system stability, while monitoring and alerting operational risks to ensure timely and effective risk response.

We will continually strengthen our talent system, to create a stable, robust and in-depth talent pool that aligns with our growth strategy. We intend to establish a talent management mechanism that spans recruitment, training, incentivization and evaluation to enhance employee cohesion and sense of belonging. Specifically, we plan to intensify our efforts in recruiting high-caliber, multi-disciplinary technological talents, especially those experienced in cutting-edge technologies and emerging industry sectors, such as AI algorithms and foundation models. In particular, we plan to implement an expert team structure, under which each domain expert will be supported by several experienced engineers and research trainees, to ensure long-term knowledge retention and reduce reliance on individual talents. We also plan to actively seek and recruit international talents while fostering employees with a global perspective and cross-cultural communication skills, so as to improve their adaptability and efficiency in diverse cultural environments and enhance our international competitiveness. Additionally, we will develop training programs that cover various functional teams, including technological, management and marketing teams.

Deepen our parking facility and platform operations business and tap into markets with huge market potentials

We are committed to advancing our parking facility and platform operations business to explore new opportunities and enlarge our market share. Our aim is to empower parking asset owners and operators with operational solutions that are more targeted, convenient, efficient and diversified. Premised upon our diversified business portfolio and service capabilities, we also aim to design and validate more sophisticated, flexible and adaptable operational models.

We will remain highly attuned to market demands and technological advancements, continuously developing new products and services that enhance parking convenience and safety while ensuring our competitive edge. We also seek to enhance our operational capabilities by increasing investments in technologies. With advanced vehicle recognition and access management, dynamic balance of parking supply and demand and data-driven precision services based on user profiles, we plan to maximize sustainable returns for parking assets. We also plan to implement dynamic pricing and dispatch algorithms based on spatial-temporal data modeling, to enhance revenue management and improve asset turnover efficiency. Furthermore, we aim to expand our business portfolio through technology and innovation. For example, we will explore the application of AI-native agents in parking facilities, and promote an ecosystem centered around our parking space rental platform to effectively elevate the utilization of parking assets. In addition, we seek to improve the availability and accuracy of autonomous parking by integrating it with our massive parking networks and data-driven insights, therefore advancing cutting-edge technologies in broader parking applications. We will also advance the commercialization of new solutions to capitalize on the burgeoning market opportunities.

We aim to establish sustainable relationships with parking facilities of different types, sizes and development stages, and to gradually reinforce our collaboration. We plan to expand partnerships with parking asset owners by promoting our validated collaborative operational models, such as contract operation, off-peak usage collaboration and value-added operation including parking voucher collaboration and charging station collaboration, to help customers increase the utilization of idle resources and expand their revenue streams. In the meantime, we will explore the commercial values of our products and services in unlocking data value, enhancing user experience and streamlining overall industry operations, to further solidify our unique advantages in the market.

We intend to continue to uncover and address the pain points and needs of parking asset owners throughout their operational phases. By providing targeted operational models and efficiently allocating parking resources and funds managed under our contract operation model, we will vigorously expand the scale of our contract operation and increase our market share in this regard.

Strengthen our marketing network and enlarge our customer base

We aim to continuously strengthen our marketing network to enhance our brand influence and explore more business opportunities. Specifically, we intend to promote strategic collaboration with key industry participants as well as to host or participate in industry events and conferences, with a view to increasing our visibility in the industry and growing our market share.

We will keep growing our customer base and reinforcing our collaboration with existing customers. Specifically, we will strategically target lower-tier cities that lack smart parking systems. Leveraging our highly flexible and scalable business model, we also aim to replicate and extend our success to a growing list of industry verticals. By helping more potential new customers achieve the transformation of their parking management and operations, we will be able to effectively scale up our business. Moreover, we have formed a product-oriented growth strategy to continuously identify and address the evolving customer needs with our diversified business portfolio. We believe we can deepen our market penetration by capturing more cross-selling and up-selling opportunities from existing customers, ultimately increasing their use of all of our offerings. We place a strong emphasis on understanding and exploring the diverse needs of our key customers. Our objective is to facilitate the ongoing transformation of urban parking for these key customers and to collaboratively launch benchmark projects that have breakthroughs and serve as exemplars in the industry. By doing so, we can enhance loyalty among our key customers while improving our visibility in the industry, thereby attracting more customers and achieving greater economies of scale.

Extend our global outreach and expand our global presence

We are committed to global expansion to explore and capture the fast-growing opportunities in the global smart parking space operation industry. To date, we have supported parking facilities and parking spaces across over 60 countries and regions. Some of our benchmark parking facility projects in the international market include Brunei International Airport in Brunei, Marina Bay Cruise Centre in Singapore, office and residential communities managed by Link Property Management Services Limited in Hong Kong, Tawaren Center in Saudi Arabia, and Plaza Otay in Mexico. We are strategically focusing on serving the emerging markets, including Southeast Asia and the Middle East in the near term. Although we currently generate substantially all our revenue from China, we plan to leverage our accumulated advantages in product portfolio, technological capabilities and brand recognition, to exploit the significant growth potentials of these untapped markets, increase our market penetration and replicate our success in the China market. In the medium to long term, we also plan to enter into more established overseas markets.

To that end, we will further deepen our collaboration with our existing customers who have cross-border operations and/or are multi-national corporations. By entering into strategic collaboration agreements, we will strengthen our ties with these customers in their overseas businesses, in order to rapidly establish our global presence. Furthermore, we strive to further penetrate into the local markets and best accommodate the needs of local customers by establishing branch offices in Southeast Asia and the Middle East, assembling localized teams well-versed with the business practices and environments of the target regional markets, and ultimately building a global service network. In addition, we will partner with business partners in the local markets to leverage their customer resources and implementation experiences and to explore new business models. Furthermore, we seek to showcase our achievements in unattended payment, centralized management and precision operational management through various overseas industry events and conferences thereby promoting the benefits of our products and services and cultivating potential customers' interest.

In the long term, we will evaluate acquisition opportunities in companies with established sales channels and brand presence in the global market. Through these acquisitions, we aim to integrate their talents, resources and competitive advantages into our business ecosystem, enabling synergistic development and strengthening our overall market competitiveness. Additionally, we may consider investing in and acquiring companies with valuable data sources that have commercial potential to enhance our data capabilities. We currently intend to fund any such potential acquisitions using our internally generated funds or other financing sources, rather than by the net proceeds from the Global Offering. As of the Latest Practicable Date, we had not identified any potential target company for investment or acquisition.

OUR OFFERINGS

Our offerings are designed to facilitate the transformation of urban parking. Building on our strategic focus on technology and operations, we have developed a business portfolio that encompasses a wide range of products and services covering smart parking systems, smart parking management services and parking facility and platform operations. We support the diverse needs of both parking asset owners and operators and the broader parking space operation industry. We served over 41,000 parking facilities during the Track Record Period, across a wide range of vertical scenarios, including large-scale commercial complexes, office buildings, residential communities, public facilities, hotels, scenic destinations, schools, hospitals and logistics parks.

Serving as the core infrastructure of our smart parking offerings, *YongCe Pro* is an in-house developed platform designed to support integrated, profit-oriented parking operations. It streamlines operations across multiple parking facilities with a wide range of enterprise resource planning and customer relationship management functions essential for modern parking operations. Leveraging the infrastructure, we enable real-time visibility of each parking facility, allowing operators to standardize procedures, reduce costs and improve efficiency for parking business management. Specifically, the platform consolidates operating data, such as occupancy rates, parking fee collection and gate control logs, into a single, user-friendly interface. Through integrated AI technologies, we are able to proactively diagnose potential issues and send automated alerts, minimizing downtime and the need for on-site interventions. More importantly, we enable immediate insights into traffic patterns, revenue trends and peak usage periods, enabling parking facilities to refine their pricing and allocate staff and resources strategically. We can also identify operational inefficiencies and highlight opportunities for improvements. In addition, with our platform, parking asset owners and operators can swiftly roll out uniform rules, from dynamic pricing models to security protocols, across multiple parking facilities with just a few clicks. This streamlined approach not only reduces errors but also accelerates decision-making and promotes organizational cohesion. With its cloud-based microservices architecture, *YongCe Pro* embeds tools for work order management, customer service coordination, personnel performance evaluation, financial analytics and command center visualization, helping asset owners improve operational oversight, optimize efficiency and reduce revenue leakage. The flexible, modular architecture of our platform also allows operators to incorporate additional functionalities, such as electric vehicle charging, membership systems and customized promotions, without costly overhauls. Our platform can also integrate with customer's existing information systems, to facilitate real-time collaboration and data interchange.

Unlike embedded hardware-linked software, *YongCe Pro* is an independent modular solution comprising a web-based management console, a command center visualization interface and four supporting mobile applications, including the security assistant app, the roadside assistant app, the project management assistant app and the operations assistant app. For example, on-site security and patrol personnel and roadside parking attendants can leverage their respective supporting mobile applications to streamline fee collection and other parking space or facility management workflows. The project management assistant app helps parking facility project managers oversee individual parking facilities by providing access to operational reports, work orders, contract and payment management and staff scheduling. The operations assistant app gives executives a visualized overview of group-level and project-level performances, enabling real-time monitoring of profitability and operational progress. The architecture of *YongCe Pro* is rooted in advanced technologies such as cloud computing, cross-cloud orchestration, containerization and big data analytics. All terminal systems within the platform operate independently while collaborating in real time, governed by a unified approval workflow and consistent permission controls, ensuring that all teams work in a synchronized, efficient and standardized manner. Key innovations of our *YongCe Pro* include integration with customer office automation systems for ease of use, one-click permission revocation and approval workflows for risk control, income and cost allocation with real-time auditing, unified management of on-street and off-street parking assets, and a contract management module that directly links to and updates the status of specific physical parking assets. Furthermore, through AI-based analysis, *YongCe Pro* can identify and quantify losses due to leakage or mismanagement, supporting proactive governance.

The following table sets forth the key hardware and software products across our business lines. We perform the entire design and development process of our smart parking hardware products in-house and maintain high quality control over production. All of the software installed in our smart parking hardware products is also developed in-house.

Business Line		Key Hardware Products	Software Products
Smart Parking Systems	Parking fee management system	High-speed license plate recognition camera Parking barrier gate Self-service payment terminal Ticket and card dispenser Network intercom device Embedded server	Parking fee management platform (bundled when purchasing the hardware products with on-premises deployment model) Mobile applications for customer-side management User-end *Speed Parking* mini program
	Ultrasonic parking space guidance system	Ultrasonic parking space detector Geomagnetic parking space detector Parking space indicator light Parking guidance display screen	Parking guidance management platform (bundled when purchasing the hardware products with on-premises deployment model)
	Video-based parking space guidance and vehicle search system	Video-based parking space detection terminal Bluetooth beacon Vehicle locator terminal Parking guidance display screen	Video-based parking space guidance and vehicle search platform (bundled when purchasing the hardware products with on-premises deployment model) User-end *Speed Parking* mini program
	Parking space management system	Parking space lock Parking space barrier gate Parking space camera	Parking space management platform (bundled when purchasing the hardware products) User-end *Speed Parking* mini program
	Charging service system	Slow charging pile Fast charging equipment	/
	On-street smart parking management system	Geomagnetic parking space detector Low-position video parking detection terminal (curb machine, low post or pole post) High-position video parking detection terminal Handheld payment terminal	On-street management platform (subscription period starting from one year with annual fees) User-end *Speed Parking* mini program
	Smart pedestrian management system	Access control device Facial recognition device Pedestrian access gate	Pedestrian management platform (bundled when purchasing the hardware products) User-end *Speed Parking* mini program

Business Line		Key Hardware Products	Software Products
	Multi-parking facility management system		Unattended management platform software (SaaS-based deployment model with subscription period starting from one year) *YongCe* series software (SaaS-based deployment model with subscription period starting from one year) or *YongCe* series software (private deployment model with software license fees, and annual maintenance fees charged from the second year onward)
Smart Parking Management Services	Parking facility management	High-speed license plate recognition cameras Parking barrier gates Self-service payment terminals Ticket and card dispensers Network intercom devices Embedded servers	Parking fee management platform Mobile applications for customer-side management and one mobile application for customer-side operations[(1)] User-end *Speed Parking* mini program (subscription-based with subscription period in line with service term)
Parking Facility and Platform Operations.	Contract operation	Hardware involved in smart parking systems are included as needed	Software involved in smart parking systems are included as needed
	Off-peak usage collaboration	/	/
	Charging station collaboration	Slow charging piles Fast charging equipment Parking locks, parking barriers and parking cameras	Charging management platform User-end *Speed Parking* mini program
	Parking voucher collaboration	/	/
	Advertising collaboration	High-speed license plate recognition cameras Parking advertising barriers	Parking fee management platform Mobile applications for customer-side management User-end *Speed Parking* mini program
	Online parking fee payment platform	/	User-end *Speed Parking* mini program with a subscription period starting from one year
	Online parking space rental platform	/	All software for parking fee management system

(1) The customer-side management mobile applications are designed for personnel at individual parking facilities, with functions including project management as well as emergency response in the event of power or network outages. The customer-side operations mobile application is designed for customers with multiple parking facilities, providing enterprise-level functions that enable executives to monitor the financial performance and operational status of all projects.

The following table sets forth the number of parking facilities served across our business lines for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Smart Parking Systems	**11,723**	**12,213**	**14,704**
Smart Parking Management Services	**4,603**	**4,890**	**4,519**
Parking Facility and Platform Operations*	**14,404**	**18,823**	**22,504**
Contract operation	34	112	144
Off-peak usage collaboration	38	78	166
Charging station collaboration	329	877	941
Parking voucher collaboration	41	117	220
Advertising collaboration	642	2,173	3,246
Online parking fee payment platform	13,870	16,722	19,389
Online parking space rental platform(1)	—	—	3,805
Total*	**22,497**	**26,616**	**30,644**

* When calculating the number of parking facilities served in a given period, a parking facility will be counted only once even if it purchases more than one of our smart parking offerings or makes multiple purchases during such period.

(1) Our online parking space rental platform was launched in March 2025; therefore, the operating metrics of prior periods did not apply to this platform.

The following table sets forth the number of new contracts or transaction orders across our business lines, as applicable, for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Smart Parking Systems	**17,127**	**15,959**	**20,356**
Smart Parking Management Services	**1,070**	**1,304**	**1,308**
Parking Facility and Platform Operations	**1,014,374**	**3,902,678**	**10,894,395**
Contract operation	31	43	77
Off-peak usage collaboration	19	41	147
Charging station collaboration(1)	75,452	475,521	831,340
Parking voucher collaboration(1)	932,080	3,418,739	10,053,817
Advertising collaboration	127	304	298
Online parking fee payment platform(2)	6,665	8,030	8,716
Total	**1,032,571**	**3,919,941**	**10,916,059**

(1) For charging station collaboration model and parking voucher collaboration model, we generate revenue when users, such as vehicle owners and drivers, place transaction orders through our platform. As such, the figures presented for these two models represented the number of transaction orders.

(2) The online parking space rental platform currently operates as a distinct module within our online parking fee payment platform, i.e., *Speed Parking* mini-program, and is specifically designed to cater to users with regular and consistent parking needs. As such, all new contracts or transaction orders for the online parking space rental platform are currently recorded under *Speed Parking*.

The following table sets forth the key operating data across our business lines for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Smart Parking Systems *(number of sets/units sold)*	**178,123**	**176,567**	**155,751**
Parking fee management system *(set)*[1]	29,341	26,819	28,266
Ultrasonic parking space guidance system *(set)*[1]	55,715	51,273	45,335
Video-based parking space guidance and vehicle search system *(set)*[1]	63,843	56,070	52,511
Parking space management system *(set)*[1]	1,010	642	1,148
Charging service system *(set)*[1]	1,650	520	202
On-street smart parking management system *(set)*[1]	1,654	23,501	10,598
Smart pedestrian management system *(unit)*[2]	24,910	17,742	17,691
Smart Parking Management Services *(number of entrance and exit lanes served)*	**15,019**	**16,056**	**15,151**
Parking Facility and Platform Operations			
Contract operation *(number of parking spaces)*	31,026	66,480	95,380
Off-peak usage collaboration *(number of parking spaces)*	15,298	36,303	65,014
Charging station collaboration *(number of charging stations)*	1,553	4,103	4,711
Parking voucher collaboration *(RMB, value of vouchers consumed)*	9,923,335	37,691,398	103,036,669
Advertising collaboration *(number of advertising spots)*	1,795	5,519	7,617

(1) Key operating data of parking fee management system, ultrasonic parking space guidance system, video-based parking space guidance and vehicle search system, parking space management system, charging service system and on-street smart parking management system are measured on a per-set basis. One set of smart parking systems represents a minimum functional combination consisting of one unit of core equipment, together with the required units of ancillary equipment. For example, for parking fee management system, one set represents one unit of high-speed license plate recognition camera, i.e., the core equipment, together with ancillary parking barrier gates, self-service payment terminals, ticket and card dispensers, network intercom devices and embedded servers, which collectively constitute a functional combination of equipment required to form a complete system capable of delivering its designed functionality. See "— Our Offerings" for details of the relevant hardware products. The sales volumes of smart parking systems (excluding smart pedestrian management system) are calculated based on such minimum combination.

(2) Key operating data of smart pedestrian management system is measured on a per-unit basis according to the actual units of equipment sold.

The sales volume of our smart parking systems decreased in 2025, primarily due to a temporary change in the demand for certain products, including on-street smart parking management systems, as well as ultrasonic parking space guidance systems and video-based parking space guidance and vehicle search systems primarily used in commercial properties. In particular, the on-street parking sector in China has gradually shifted from a stage characterized by new construction and equipment deployment to one focused more on routine operations and upgrades of existing facilities, resulting in relatively lower demand for new equipment procurement. In addition, the pace of new construction and large-scale renovation in the commercial real estate sector moderated, which to some extent affected the demand for related equipment.

The following table sets forth a breakdown of our revenue by business line during the Track Record Period. Revenue generated from parking voucher collaboration increased significantly from 2024 to 2025, primarily because we strengthened our promotion efforts and established a dedicated business management team to drive its development since the second half of 2024, in response to increasing market demand.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Smart Parking Systems	**452,568**	**61.3**	**478,876**	**59.9**	**477,937**	**57.5**
Smart Parking Management Services	**186,853**	**25.3**	**194,726**	**24.4**	**176,068**	**21.2**
Parking Facility and Platform Operations	**96,873**	**13.1**	**124,227**	**15.5**	**175,064**	**21.1**
Contract operation[1]	37,709	5.1	47,286	5.9	95,738	11.5
— Parking services	21,081	2.9	24,909	3.1	66,087	8.0
— Other services	16,628	2.3	22,377	2.8	29,652	3.6
Off-peak usage collaboration	16	—	114	—	354	0.0
Charging station collaboration	818	0.1	5,040	0.6	3,110	0.4
Parking voucher collaboration	2,327	0.3	6,765	0.8	16,807	2.0
Advertising collaboration	5,835	0.8	11,886	1.5	13,098	1.6
Online parking fee payment platform	50,013	6.8	53,067	6.6	42,903	5.2
Online parking space rental platform	—	—	—	—	3,040	0.4
Others	155	—	69	—	14	0.0
Others	**1,721**	**0.3**	**1,682**	**0.2**	**1,546**	**0.2**
Total	**738,015**	**100.0**	**799,511**	**100.0**	**830,615**	**100.0**

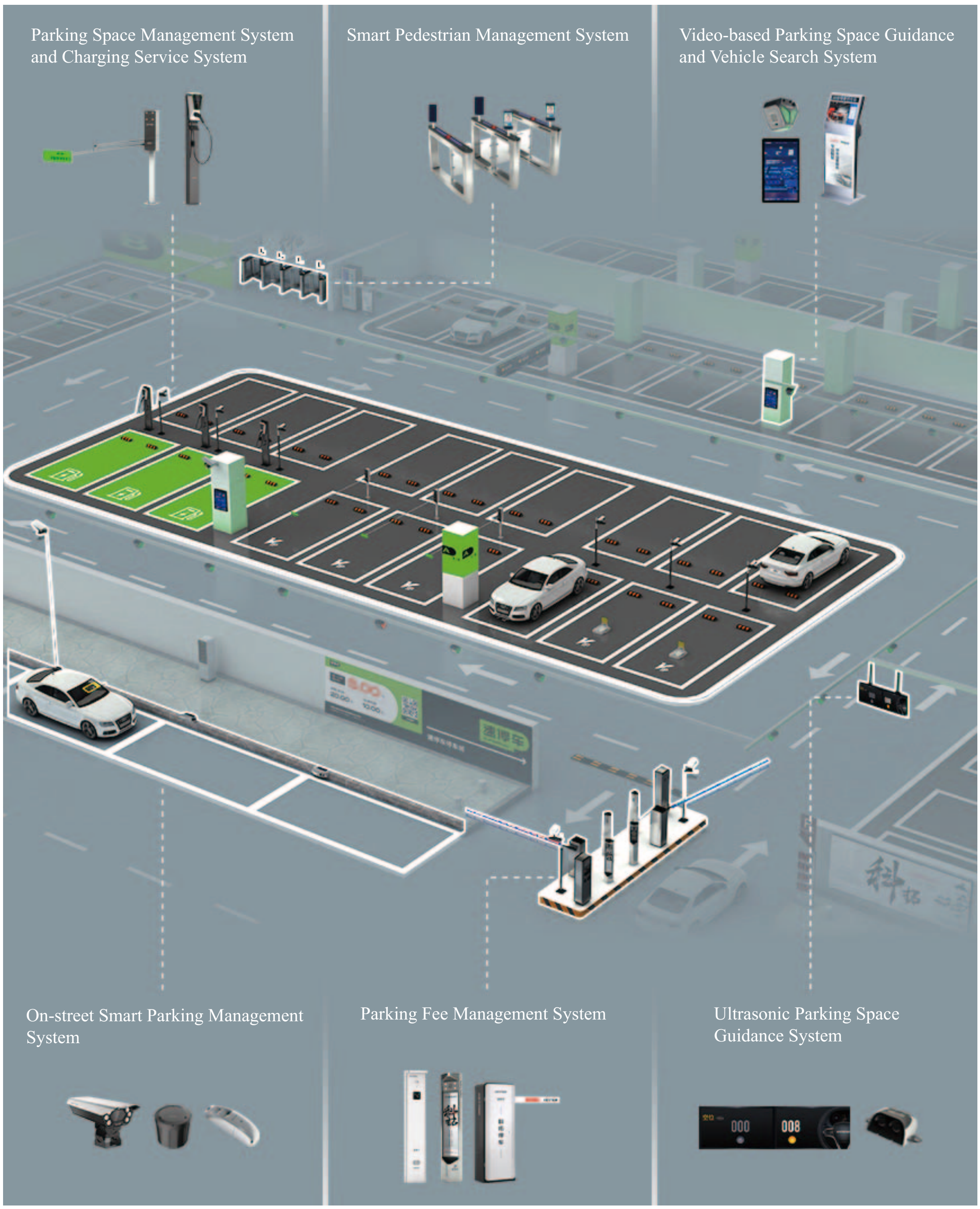
(1) Revenue generated from contract operation was further classified into parking services and other services based on their nature and revenue recognition considerations. In particular, parking services included contract operation model where we generated revenue solely from a revenue-sharing model with no minimum income, while other services included contract operation model where we adopted a minimum income plus revenue-sharing model, among others. See "Financial Information — Discussion of Major Profit or Loss Items — Revenue" for details.

Smart Parking Systems (數智化停車系統)

Leveraging IoT, mobile payments, big data and AI technologies, we have developed smart parking systems covering enclosed parking facilities, on-street parking spaces, pedestrian management and multi-parking facility management. Through the sales of our integrated smart parking systems comprising hardware, cloud-based software systems and user-end applications, as well as related implementation and maintenance services, we help parking facility owners and operators construct and upgrade their parking facilities and provide support throughout the process. Particularly, our offerings include standardized hardware and software systems paired with customized functionality development services to adapt to specific customer needs, therefore enabling rapid deployment at optimal costs. Under such arrangements, customers may request us to provide parking management software tailored to their operational needs. We develop the software according to the agreed specifications and charge corresponding service fees, while retaining full intellectual property rights. Our online-offline integrated technical support system, further ensures reliable and stable parking performance. We served 11,723, 12,213 and 14,704 parking facilities with our smart parking systems in 2023, 2024 and 2025, respectively.

Our revenue of smart parking systems mainly comes from hardware product sales, implementation services, SaaS arrangements and service-type warranty services. Implementation services include on-site construction, hardware installation, software deployment and commissioning and customer training to ensure system functionality. Under SaaS arrangements, we provide customers with cloud-based software on a subscription basis, either bundled with hardware or sold separately. Under service-type warranty services, we offer technical support, such as remote diagnostics, troubleshooting and equipment replacement, helping maintain stable system operations. These are considered separate performance obligations under our smart parking systems business but are often bundled together under a single project. For example, when undertaking a project involving the sale of smart parking hardware products, we may also provide SaaS-based software and service-type warranty services as part of an integrated package.

The following chart illustrates the major products and systems as well as the application scenarios of our smart parking systems.



End-to-end Smart Solutions for Enclosed Parking Facilities (封閉車場端到端解決方案)

Our end-to-end smart solutions for enclosed parking facilities encompass every step of the parking process, from entering and parking to payment and exit, with the following major products. Specifically, we offer parking fee management system, ultrasonic parking space guidance system, video-based parking space guidance and vehicle search system, parking space management system and charging service system.

Parking fee management system (停車收費管理系統)

Our parking fee management system offers a user-centric platform for overseeing every step of the parking payment process. Combining quality hardware, intuitive software and multiple payment methods, this solution supports operators in effectively managing daily fee collection while enhancing convenience for users.

Through integration with access control equipment, such as barrier gates and license plate recognition cameras, the system automatically calculates parking fees based on duration and pre-set rates. Users benefit from a smooth payment experience, made possible through self-service kiosks, mobile applications and other convenient channels. Reflecting the diverse preferences of modern users, our system accommodates various payment methods, including cash, credit cards, QR codes and dedicated mobile payment platforms. It also supports stored-value accounts and membership-based billing, enabling operators to design customized strategies, such as tiered pricing, rewards programs or loyalty discounts.

Our parking fee management system provides operators with a real-time dashboard for tracking fee collection, transactions and occupancy levels across multiple sites to optimize operational efficiency. These analytics generate insights into peak usage periods and payment trends, allowing operators to refine their pricing models, allocate staff strategically and identify opportunities for revenue growth. With accurate data at their fingertips, decision-makers can adapt quickly to evolving customer demands and market conditions.

In addition, engineered to integrate smoothly with existing parking infrastructures, our system easily links with a variety of hardware interfaces, ranging from license plate recognition devices to handheld payment terminals. Cloud-based deployment further simplifies system upgrades and maintenance, making it straightforward for operators to expand into new sites or scale up in existing facilities. By focusing on interoperability and flexibility, our system ensures a future-proof framework suited to the ever-changing needs of modern parking management.

Ultrasonic parking space guidance system (超聲波車位引導系統)

Our ultrasonic parking space guidance system is designed to tackle the common parking challenge in finding available parking spaces. It integrates ultrasonic detection technology into parking scenarios to enhance parking experience by avoiding unnecessary cruising and congestion, thereby optimizing parking space utilization and improving overall management efficiency.

Specifically, our system utilizes ultrasonic detectors to detect a parked vehicle or an available parking space, and conveys the availability status to users using an intuitive LED indicator that turns red when the space is occupied and green when it is available. To ensure timely updates, these detectors check the occupancy status of each parking space every five seconds, providing real-time accuracy. The detectors and LED indicators are also easy to install, significantly reducing the costs associated with digital transformation for parking facilities.

Our system transmits real-time parking data via communications technology, to a centralized management platform. Through a series of data processing, the number of available parking spaces along with directions intuitively display on the guidance screens, ensuring that users can quickly locate available parking spaces. To further optimize deployment costs and meet the complex environmental requirements of outdoor parking facilities, our system incorporates LoRa wireless communications technology. As a mainstream of IoT technique, LoRa features long-range communications, low power consumption, and strong anti-interference capabilities, enabling parking facilities to save on complex wiring construction costs and accelerate project delivery. By adopting our system, our customers can reduce their reliance on manual personnel for parking assistance, leading to a better user experience, lower operating costs and a more streamlined management process.

In addition, our system allows parking facility operators to query real-time data on parking space occupancy status, so that they can track parking space utilization and optimize their parking resources, ultimately boosting profitability.

Video-based parking space guidance and vehicle search system (視頻反向尋車系統)

By integrating video analytics with license plate recognition, our video-based parking space guidance and vehicle search system delivers real-time visibility of available spaces and guides users to the nearest available spaces efficiently, and assist users to find their vehicles when returning. As a result, it not only improves traffic flow within parking facilities but also significantly enhances user satisfaction.

This system features the use of high-definition cameras and video analysis algorithms. Each camera monitors multiple parking spaces simultaneously, capturing data on whether a space is occupied or available. Real-time updates are then transmitted to digital signage and in-app navigation, ensuring that users are directed to available spaces promptly. In addition, the system's license plate recognition technology streamlines the entry and exit process, reducing bottlenecks at gates and minimizing manual intervention. Moreover, the system enables users to quickly locate their vehicles upon return. Users can simply enter their license plate numbers into a kiosk or a mobile application to receive step-by-step directions back to their parked vehicles, which eliminates the frustration of wandering around large garages.

By optimizing parking space occupancy and expediting vehicle turnover, it delivers clear benefits for both parking operators and end users. Parking facilities can dramatically improve operational efficiency and boost revenue potential through better management of available spaces. Meanwhile, users appreciate the convenience of real-time guidance and the ease of locating their vehicles.

Parking space management system (車位管理系統)

Our parking space management system aims at delivering real-time control over every aspect of parking operations. By integrating hardware, software and analytics, it enables parking facilities to efficiently manage their spaces, reduce traffic congestion and enhance overall user satisfaction. The system can be adapted to a wide range of scenarios ranging from small, privately owned parking lots to large-scale public garages, allowing it to meet diverse operational requirements.

Our parking space management system features real-time monitoring capabilities. Leveraging sensor networks and license plate recognition, the system provides accurate, instant updates on space availability, and enables unattended, advanced management features, such as parking space reservations and priority parking space protection. The system also emphasizes robust data analytics and reporting. By capturing details on everything from vehicle inflow and outflow to peak usage periods, our parking space management system helps operators gain valuable insights into operational patterns. These insights can be used to fine-tune pricing strategies, schedule staffing more effectively, and set up targeted promotions, ultimately driving revenue growth and ensuring a more efficient, streamlined operations. Moreover, our parking space management system can integrate with our other systems implemented in parking facilities, such as our parking fee management system, parking space guidance and vehicle search system and charging service system.

Charging service system (充電系統)

Our solution integrates charging station construction, equipment supply and standardized deployment. This system offers real-time remote monitoring, dynamic management, safe and reliable charging and a highly convenient user experience. We provide charging stations with advanced features and a variety of types. For example, we offer charging stations that support fast or slow charging modes. Our charging service system offers flexible integration options through a software development kit interface that works with our own or third-party software systems, ensuring that customers' specific needs are met. Additionally, we have established a service framework that spans pre-sales, sales and after-sales, delivering thorough support. Customers who purchase our charging service system can also engage us to operate their charging stations, where we further offer charging management platform and corresponding operational services. See "— Parking Facility and Platform Operations — Valued-added Operations — Charging station collaboration."

On-street Smart Parking Management System (路內停車收費系統)

Our on-street smart parking management system is designed for urban roadside parking, addressing the critical need for efficient supervision and management of on-street parking spaces. By integrating real-time monitoring and sensing technology and convenient payment functions, the system effectively addresses the core challenges of on-street parking, such as limited space availability, traffic congestion and revenue leakage. By improving parking experience for users while boosting operational efficiency for city administrators, we help transform roadside parking spaces into a more organized, user-friendly resource.

Our on-street smart parking management system utilizes a combination of sensors, cameras and license plate recognition. These tools work together to detect vehicle occupancy and automatically track parking durations, minimizing the need for manual oversight or enforcement. The system integrates with mobile payment platforms, allowing users to complete transactions quickly using QR codes, mobile applications or other digital methods. Additionally, real-time data on parking availability is displayed via dynamic signage and mobile applications, guiding users to available spaces and reducing the time spent circling for a space.

For city administrators and parking operators, our system delivers robust back-end management tools. Real-time alerts and automated notifications help detect overstays and violations, ensuring consistent compliance of parking activities. Beyond day-to-day management, our system also generates valuable analytics on parking patterns and user behaviors. These insights enable municipalities and operators to optimize dynamic pricing models, deploy targeted policy updates and make informed infrastructure investments. Designed with scalability in mind, our system can easily be expanded or integrated with emerging technologies, such as electric vehicle charging stations or AI-based traffic guidance, ensuring that on-street parking remains both flexible and future-proof.

Smart Pedestrian Management System (人行管理系統)

A large portion of our existing customers, particularly those of great strategic importance, also have needs for pedestrian management. In response to their rising needs for smart community development and management, we have launched our smart pedestrian management system to provide efficient, safe and reliable digital community services for residents, property managers and communities, realizing efficient and secure control. This system integrates computer image processing technology with the principles of biostatistics and extracts facial feature points from video footage. Through the integration of facial recognition terminals, central management consoles, administrative computers, access gates and magnetic locks, this system creates a smart access control framework, digitizing day-to-day operations and unifying identity verification. Additionally, the access control and turnstile subsystem of our system incorporates card-based access, QR code entry and facial recognition. Depending on specific application needs, our customers can opt for individual systems or a combined multi-system management model.

Multi-parking Facility Management System (多車場管理系統)

Our multi-parking facility management system is designed to meet the modern needs of managing multiple parking facilities in an integrated manner, including both enclosed parking facilities and on-street parking spaces. By connecting these different types of parking environments, this system allows for better resource allocation, streamlined operations and optimized management across different parking facilities.

In particular, our multi-parking facility BI platform offers the capability to manage multiple parking facilities from a single interface. At its core, this platform aggregates and visualizes parking data across multiple facilities and establish uniform data standards, to support data analysis and empower decision-makers with actionable insights. This allows for efficient monitoring and precise analysis of critical metrics such as traffic flow and revenue.

In response to the industry transformation trends, we have launched our *YongCe Pro*, which has evolved from the multi-parking facility BI platform with centralized data visualization into a fully integrated business management platform that combines enterprise resource planning and customer relationship management. We have also developed AI-native applications to assist parking facility owners and operators in promoting centralized management and building modern unattended parking facility models. While they serve as effective tools to manage and operate the parking facilities with optimal manpower investments and operational efficiency for our smart parking management services and parking facility and platform operations, parking asset owners and operators can purchase them on a standalone basis to facilitate their own businesses. See "— Our Offerings" for details of our *YongCe Pro* and "— Our Offerings — Smart Parking Management Services" for details of our AI-native applications.

Case Study for Smart Parking Systems

Wuhan MixC, a benchmark commercial complex developed by China Resources Group, encompasses a high-end shopping mall, a shopping street, four residential buildings, and two Grade A office buildings. Given its massive scale, the project encountered significant parking challenges, including a complex layout with multiple access points, 19 lanes and over 3,300 parking spaces, resulting in navigation difficulties and congestion during peak hours. Additionally, the expansive parking area made it hard for users to find available spaces and locate their vehicles upon return.

To tackle these issues, we implemented our advanced smart parking systems. Through analysis of the dynamic traffic of the parking facility, we installed congestion alert systems at the T1 and T2 exits, featuring 27 congestion indicator screens to provide real-time traffic updates. This multi-display coordination enables users to receive timely information about lane congestion, facilitating better decision-making. To further enhance the parking experience, we introduced a vehicle search system, allowing users to locate their vehicles via in-parking terminals or the Bluetooth feature on their smartphones and receive the shortest route to their vehicles. Our collaboration with a major mapping service provider in China also leads to the integration of parking navigation and indoor AR walking navigation, covering the process from searching for available spaces before entering, navigating to the parking spaces, and to locating vehicles when leaving. As a result, Wuhan MixC has become the first shopping mall in Central China to offer precise navigation directly to parking spaces, significantly alleviating traffic congestion and improving the overall shopping experience.

Key Terms of Smart Parking System Agreements

We generally enter into legally binding agreements with our smart parking system customers. The agreements with customers typically include the following salient terms:

- *Scope of services.* We are responsible for delivering the products, providing installation guidance, assisting with acceptance procedures and offering after-sales services.

- *Pricing and payment terms.* Payment is typically made in two installments, i.e., a partial payment upon delivery to the customer's designated location, and the remaining balance upon successful acceptance.

- *Customer rights and obligations.* The customer has the right to inspect and accept the goods upon delivery and is entitled to maintenance services during the warranty period. The customer is obligated to make payments in accordance with the terms.

- *Term and termination.* Agreements are generally intended for a one-time purchase, with a warranty retention period of one year, and occasionally two years for specific agreements. Under specific conditions, the agreement may allow for delayed, partial or non-performance, but any such deviations require the responsible party to bear corresponding liabilities for breach.

Smart Parking Management Services (數智化停車管理服務)

We offer highly efficient smart parking management services to parking asset owners and operators, designed around the core values of unattended oversight, informed decision-making and refined operational management. Specifically, we assist customers in improving their traditional on-premises parking management workflows using an integrated online-offline model. This involves installing our smart parking systems as tools, and enabling centralized 24/7 monitoring by our remote command center for regular inspections and timely interventions. We have transformed traditional, labor-intensive, subjective experience-based parking facility management to a standardized, data-driven paradigm by reducing operating costs, boosting management efficiency and enhancing the overall parking experience for users.

Under our smart parking management services, we offer two main service models for our customers, for both entrance and exit lanes and entire parking facilities. Our customers in our smart parking management services business generally retain the operational management rights. Our customers can elect to entrust the individual lanes of their operated parking facilities to us for management. Under this model, our primary focus is to help customers address all lane-related needs, such as access control and parking fee management, while the customer pays us a monthly service fee. Our customers can also utilize our management services for their entire parking facility, where our service scope includes, in addition to the above-mentioned, processing monthly parking passes, handling customer inquiries and on-site management. We charge customers a fixed service fee or, to a much lesser extent, adopt a revenue-sharing model, where we collect a fee based on a predetermined percentage of the parking facility's revenue.

With our smart parking management services, our customers can significantly cut labor costs, enhance management efficiency and effectively eliminate revenue leakages on site. Customers can achieve an up to 130% increase in retail parking net revenue and an up to 48% increase in overall parking-facility revenue. For example, by leveraging our services to reduce on-site manpower and minimize operational vulnerabilities, one of our customers experienced an increase in annual retail parking revenue from RMB55,270 to RMB127,170 after using our services, representing a year-over-year growth of 130.1%. In addition, while serving another customer's parking facilities, we increased their annual overall parking-facility revenue from RMB3.0 million to RMB4.5 million, representing a 47.9% year-over-year increase, by standardizing the fee collection process, optimizing traffic flow, and ensuring business continuity.

These services are delivered through the deployment and operation of our proprietary smart parking hardware products and cloud-based software systems, which enable automated gate control, license plate recognition and digital payment processing. At the same time, we handle on-site access anomalies, service processing and complaint inquiries through our AI kiosk, AI parking manager and AI customer service agent, ensuring the efficient operation and management of parking facilities services. We leverage these systems and hardware products to provide management services, for which we charge service fees accordingly. While our smart parking management services are dependent on our smart parking hardware and software products, purchasing these products is not a prerequisite for our services. Instead, when offering our smart parking management services, we first install our smart parking products alongside additional surveillance equipment, which serve as effective tools, but we typically retain ownership and control over the installed parking equipment during the service term. Additionally, our smart parking management services differ from our parking fee management system under the smart parking systems business. For the latter, we only sell the parking fee management system itself to customers, which is a packaged product solution comprising both proprietary hardware and software components. In contrast, for smart parking management services, we provide a range of services that utilize the parking fee management system, among other tools. There are limited occasions where a parking facility may purchase our parking fee management system under the smart parking systems business and utilize our management services within the same year. For example, customers who have already purchased our parking fee management system may later seek our management services. In such cases, the service agreements typically only cover remote cloud-based kiosk agent services and do not include the installation, commissioning and after-sales maintenance of smart parking systems. In 2023, 2024 and 2025, there were 130, 233 and 211 parking facilities which utilized both of our parking fee management system and smart parking management services business, respectively.

We believe that the use of AI tools during the course of our smart parking management services has greatly improved our operational efficiency. Leveraging our *YongCe Pro*, the first smart parking operation system in China, we effectively coordinate and manage multiple parking facilities to achieve optimal efficiency. Furthermore, through our self-developed AI-native applications, i.e., "AI kiosk," "AI parking manager" and "AI customer service agent," we help reduce costs and improve efficiency for traditional parking facilities:

- ***AI Kiosk (AI崗亭).*** Our AI kiosks, delivered through a cloud-based centralized architecture, enable remote oversight and management of multiple parking facilities across regions. The AI kiosks can effectively replace on-site personnel by employing various AI-powered functions, such as pre-processing, instant response, remote command and big data diagnostics, enabling centralized management and reducing traditional labor investments from a kiosk agent to lane ratio of 3:1 to an industry leading-level of 1:200.

  Leveraging real-time audio and video intercom functions, remote gate control and interconnection with parking fee management system, our AI kiosks allow for significant cost savings and improved operational efficiency. Specifically, when vehicles face issues on the unattended access lanes, users can call for assistance through intercom devices of the specific lanes, which allows us to locate the issues and display real-time video feeds for immediate resolution. AI kiosk agents can intervene remotely by modifying plate number records, issuing QR payment codes, guiding the users through electronic payments or simply granting access. Furthermore, AI kiosk agents can remotely monitor the situation, proactively detect operational anomalies and initiate actions. For example, it can automatically detect equipment malfunctions and generate repair requests, or identify vehicles unable to enter or exit and promptly trigger remote intervention to resolve the issue.

- ***AI Parking Manager (AI車場經理).*** AI parking managers support centralized oversight of the remote customer service agents of our customers, to ensure the smooth and efficient functioning of their call centers. AI parking manager functions can also remotely oversee daily parking operations and handle parking-related affairs, effectively becoming a versatile parking steward. AI parking managers can directly handle complex on-site issues, such as customer complaints, traffic congestion, car accidents and equipment failures, to greatly reduce on-site management costs. Additionally, we equip AI parking managers with functions including automated inspections, failure alerts and a work order scheduling system with dynamic resource allocation. As such, we help improve operational efficiency, reduce the risk of business disruptions and ensure high system availability alongside continuous service.

- ***AI Customer Service Agent (AI雲客服).*** Building on our deep understanding of the characteristics and complexities inherent in parking operations, we configure AI customer service agent functions for different parking scenarios. It supports remote, centralized customer service operations while reducing manpower investments. AI customer service agents are capable of handling vehicle owner inquiries, service requests, anomaly reporting, business transactions and data corrections. Externally, the AI cloud customer service team addresses inquiries from users and enterprise customers utilizing technology. Internally, it supports system enhancements and business optimization to ensure service quality and user experience.

We served 4,603, 4,890 and 4,519 parking facilities, including 15,019, 16,056 and 15,151 entrance and exit lanes within such facilities, with our smart parking management services in 2023, 2024 and 2025, respectively. The number of parking facilities served by us decreased from 2024 to 2025, mainly because a substantial number of contracts entered into five or more years ago reached expiration, with the number of new and renewed facilities temporarily falling short of those that expired. This was mainly attributable to (1) the slowdown in the expansion pace of new parking facility projects amid the downturn of the real estate industry in China, resulting in fewer new service engagements, and (2) the transition of certain large group customers to a model where we provided the smart parking systems while the customers performed centralized management themselves, as part of their initiatives to centralize and integrate the management of all of their parking facilities.

Case Study for Smart Parking Management Services

The Hangzhou Yuanyang International Center is a mixed-use building complex that integrates office spaces and shopping, dining and entertainment options. Its parking facility has multiple access points and approximately 1,500 parking spaces. However, the parking facility struggled with low levels of management automation, which led to high overheads and relatively low operational efficiency.

As a solution, we introduced our smart parking management services, including a smart parking operation system, remote AI kiosk services and a centralized parking management center. By implementing the system, we enable online electronic contracting, where employees of tenant enterprises could apply for fixed-price monthly parking passes, with online renewal options available via mobile phones. As such, the cumbersome paper contracting process was completely replaced, creating a more efficient user experience from contract signing to permit activation, with the activation time reduced from three days to just ten minutes. The parking facility has also seen an effective cost reduction, with labor costs reduced by approximately 33%. We have also established an inspection network that operates in tandem between cloud and local systems. The online AI detection system continuously monitors parking activities in real time, automatically flagging any abnormal vehicle movements. A dedicated offline team performs standardized inspections and promptly intervenes to address potential risks. In cases where the system detects potential evasion of parking fees, an automated alert mechanism triggers, with a complete chain of evidence being preserved. Operational staff then initiate a standardized collection procedure, ensuring closed-loop protection that spans from risk alert to resolution, thereby safeguarding the integrity of parking operations and revenue.

Through these advancements, the Hangzhou Yuanyang International Center has not only streamlined its management processes but also improved operational efficiency, leading to a better overall experience for tenants and visitors alike.

Key Terms of Smart Parking Management Service Agreements

We generally enter into legally binding agreements with our smart parking management service customers. The agreements with customers typically include the following salient terms:

- *Service scope.* Under the agreement, we generally provide digital parking management services including (1) parking system installation, commissioning and personnel operational training, (2) centralized parking management platform services, (3) remote cloud-based kiosk agent services, and (4) after-sales maintenance. We may also provide on-site management and/or cleansing personnel or other additional services as per customer requirements. During the service term, we shall retain the ownership of the installed parking software and hardware and have control over their operations, which serve as effective tools for our smart parking management services.

- *Customers' rights and obligations.* Our customers generally retain operational management rights over the parking facilities and shall (1) coordinate with property owners and/or tenants to prepare for the launch and execution of the project, (2) maintain infrastructure and ensure continuous provision of utilities and internet connectivity, (3) cooperate in activating electronic payment platforms, and (4) collaborate in traffic flow management of pedestrians and vehicles. Our customers shall also have the right to oversee the provision of our management services.

- *Pricing and payment.* We charge customers a fixed monthly fee for our services or, to a much lesser extent, adopt a revenue-sharing model, where we collect a fee based on a predetermined percentage of the parking facility's revenue. The revenue-sharing percentage can be tiered according to the amount of revenue generated and be subject to a predetermined cap.

- *Term and termination.* Typically, the agreement has a term ranging from three to five years, subject to renewal upon negotiation prior to the expiration of the original term. If our customers unilaterally terminate the agreements or engage in unauthorized deactivation, dismantling, or resale of parking equipment, our customers shall immediately pay all outstanding service fee, and indemnify us for all direct and consequential damages. If we terminate without cause, we shall pay liquidated damages proportionate to the remaining term in the agreement and compensate the customers' all losses. Upon the expiration of the agreements, the ownership of the installed smart parking systems is generally with us, while our customers may obtain the ownership under certain circumstances. The ownership of the smart parking systems is determined through negotiations with customers. Where we retain the ownership upon contract expiry, we will assess the residual value of the equipment and decide whether to retrieve and redeploy it. In the case of contract renewal, if the existing equipment remains in good condition, we will continue to use it for the renewed term.

- *Privacy protection.* The agreement requires our customers and us to handle information obtained in the performance of the agreement in compliance with laws and regulations on cybersecurity and data privacy. We have the right to utilize parking data of the facilities, such as number of parking spaces, amount of parking fees collected, entry and exit traffic flow and license plate numbers, but shall refrain from maliciously disclosing such data to any third parties.

Parking Facility and Platform Operations (停車場運營)

By enabling precise, full-lifecycle parking facility and platform operations for parking asset owners, we are committed to elevating urban parking asset value. Utilizing our established digital infrastructure and operational experience, we have accumulated a wealth of dynamic parking data, which can be translated into service quality and operational benefits leveraging AI and big data analytics technologies. This allows us to provide highly precise operational analysis and diagnostics to identify weaknesses and deliver targeted optimization initiatives, such as optimizing pricing strategies, increasing parking utilization and exploring additional revenue streams. For example, we determine parking fee levels based on market benchmarking of comparable parking facilities and supply and demand conditions, and apply dynamic pricing strategies and staggered parking products reflecting peak and off-peak usage patterns. Moreover, we leverage our scenario-based operations and precise traffic direction capabilities to help customers make use of their idle resources and expand their revenue streams, thereby enhancing overall asset utilization. In addition, our behavioral analysis supports targeted marketing and customer acquisition for parking facilities. Through these efforts, our parking facility and platform operations business has reshaped parking management by transforming parking facilities from mere support structures into proactive, profit-generating businesses.

To date, we have developed multiple operational models under our parking facility and platform operations business, covering integrated operations, value-added operations and platform operations. We continually help our customers and ourselves monetize under-utilized resources and tap into additional revenue streams. We served 14,404, 18,823 and 22,504 parking facilities with our parking facility and platform operations in 2023, 2024 and 2025, respectively, reflecting the rapid expansion and growing adoption of our operational models.

Integrated Operations (綜合運營)

Contract operation (承包運營)

Under the contract operation model, we generally enter into legally binding parking facility lease agreements with parking facility owners. The agreements typically include the following salient terms:

- *Our rights and obligations.* We obtain the right to occupy parking facilities at a fixed fee under the agreement. We assume responsibility for the digital transformation and operational management of the parking facilities. In return, we obtain the exclusive right to manage and operate the parking facilities. For example, we may determine the deployment of advertising and promotional materials within the facilities, subject to applicable laws and regulations. We can also flexibly deploy and operate charging stations within parking facilities to maximize space utilization efficiency.

- *Lessor's rights and obligations.* The lessor, i.e., the parking facility owner, shall provide the parking facility in compliance with the lease agreement and assist us in completing all required government registration and filing procedures for the parking facility' operation. The lessor retains the right to supervise the management and operational activities of the parking facility.

- *Revenue allocation.* We are generally able to retain all revenue from operations, including parking fees and fees generated from a range of value-added services developed within the parking facilities. Revenue generated from our operations that exceeds a designated threshold may also be subject to a sharing mechanism with the parking asset owners. In certain cases, we may also request a minimum income plus revenue-sharing model from the owners of parking facilities.

- *Contract terms.* The term of these lease agreements typically range from one to five years.

In selecting parking facilities for collaboration under the contract operation model, we evaluate key factors such as location, historical parking volume, and local parking demand. Depending on the characteristics specific to target parking facilities, we seek to adopt differentiated operating strategies and will conduct analysis to ensure a reasonable return. For example, for parking facilities with a large number of parking spaces at competitive rates, we may pay particular attention to the associated parking demand across different time periods, assessing whether there are opportunities for off-peak dynamic pricing before contracting with them. To further safeguard our expected returns, we may also request a minimum income plus revenue-sharing model from the owners of parking facilities. Additionally, we require that the parking facilities have clear property titles and operational rights. For parking facilities involving large prepayments, we also require the owners to demonstrate strong creditworthiness and financial viability, free from ongoing or pending litigation. To ensure thorough assessments, we adhere to a multi-step internal approval process for project execution, which includes initial screening, risk assessment, commercial evaluation and contract review. This structured approach enables us to effectively manage risks and optimize returns across our parking operations. The average amount of initial capital investment required for the digital transformation and operational management of parking facility was approximately RMB5.4 million, which may vary based on the size and contract term of the facility, among others. This amount includes contracting fees paid to parking facility owners for the right to occupy and operate the facility, as well as costs associated with construction and renovation, and expenditures related to the smart parking products installed in the facility. The investment payback period for parking facilities under the contract operation model generally ranged from one and a half to three years, while for parking facilities under shorter contract terms, our investments were typically smaller, leading to shorter payback periods that generally fell within the terms of the contracts. Parking facilities under the contract operation model generally were able to achieve breakeven, meaning our total revenue can cover our expenses during the period, upon commencement of operations by us.

Specifically, when contracting with a parking facility, we begin by analyzing its characteristics, including its geographical location, surrounding communities and proximity to attractions, commercial centers and major transportation hubs, to better understand its accessibility, the flow of traffic and the specific parking requirements that may arise. Additionally, we examine the demographics of the surrounding area to understand the needs and behaviors of potential users. This includes evaluating the population density, local businesses and residential developments that may influence parking demand. We can therefore identify peak usage times and tailor our services and pricing strategies leveraging our AI algorithms. We can also implement value-added services such as charging stations and in-parking advertisements based on our analysis, to further diversify our revenue streams from the parking facility. For example, in addition to serving individual vehicle owners, we partner with vehicle rental companies to obtain the right to occupy and operate parking facilities in the sub-urban areas at competitive rates to effectively accommodate their parking needs.

Leveraging our extensive and continuously growing data pool, we apply proprietary AI-driven algorithms for real-time analysis and diagnostics. By identifying operational inefficiencies and implementing dynamic optimization strategies, we are able to effectively balance the supply and demand of urban parking resources across multiple scenarios, particularly as we are rapidly increasing the number of parking facilities managed under our contract operation model.

For our contract operation model, we served 34, 112 and 144 parking facilities, including 31,026, 66,480 and 95,380 parking spaces within such facilities, in 2023, 2024 and 2025, respectively. The revenues per parking space of our self-operated parking facilities were approximately RMB1,200, RMB700 and RMB1,000 in 2023, 2024 and 2025, respectively. The average occupancy rates of our self-operated parking facilities, calculated by dividing the average number of vehicles present at each full hour throughout the year by the total number of parking spaces in all our self-operated parking facilities, were 37.6%, 38.0% and 46.8% in 2023, 2024 and 2025, respectively.

Off-peak usage collaboration (閒時運營合作)

Recognizing the uneven demand and supply of parking resources across in different scenarios and at different times, we have introduced an off-peak usage collaboration model to maximize the efficiency and revenue potential of parking assets by making better use of under-utilized spaces during off-peak hours. Under the off-peak usage collaboration model, pursuant to the agreements, we offer suitable and diversified staggered parking products based on the peak and off-peak hours of parking facility and the related parking demand. Furthermore, we promote the products online and accurately identify target users based on demand analysis via *Speed Parking*, while also assigning dedicated personnel for offline promotion and preparing promotional materials as needed. Vehicle owners and drivers can easily select and purchase these products via *Speed Parking*, and parking facility owners can export detailed order information to have a dynamic insight into operations. We charge the parking facility a service fee based on a pre-determined percentage of each order amount after deducting electronic payment processing fees. The term of agreement typically ranges from one to three years. This solution is primarily designed for third-party parking asset owners and operators, while we may also employ staggered parking strategies for our self-operated parking facilities, i.e., the parking facilities under the contract operation model. In particular, we target parking facilities with clear tidal usage patterns, such as those in residential communities, office buildings and industrial parks, where parking occupancy rates vary significantly across different time periods. Through advanced data analytics, AI-driven demand forecasting and flexible operational strategies, we help parking asset owners and operators transform idle parking spaces into profitable assets while improving urban mobility.

Specifically, by analyzing traffic patterns, parking usage trends and external factors such as nearby commercial activity, we identify periods of low occupancy and introduce dynamic pricing strategies and staggered parking products to attract more users. For example, during the off-peak hours for commercial parking spaces, we offer flexible parking options, such as weekday monthly rentals, daily rentals and hourly-rated parking, which not only alleviates the parking difficulties for nearby office workers during specific times but also revitalizes under-utilized parking resources. Additionally, we have collaborated with the parking facility of a public cultural and recreational venue that experiences high demand for parking spaces during the day and a vacancy rate of 73% at night in designing and launching a nighttime monthly pass targeting the eight residential communities within its 500-meter radius. We have also promoted the pass on *Speed Parking* to attract nearby residents to reserve nighttime parking spaces. Residents can easily place orders and purchase nighttime monthly passes through our platform. Meanwhile, parking management personnel can view order details, including user information, parking durations, pass specifics and payment amounts. As a result, the venue's parking facility observes an average monthly increase in parking fee revenue of RMB10,000. This collaboration model ensures that parking spaces remain optimally utilized throughout the day, reducing inefficiencies and enhancing overall revenue generation.

Our off-peak parking solution is adaptable to a variety of urban scenarios. In commercial districts, it enables office parking facilities to be repurposed for public use in the evenings and on weekends. In residential communities, it allows under-utilized spaces to be leased to nearby businesses or short-term visitors. For logistics hubs and mixed-use developments, it creates flexible parking allocation models to accommodate varying demand levels. As such, parking asset owners can significantly increase asset utilization rates and unlock new revenue streams without additional infrastructure investments. Meanwhile, users benefit from increased parking availability at more affordable rates, contributing to a more efficient and accessible urban mobility ecosystem.

Value-added Operations (增值運營)

Charging station collaboration (充電樁合作)

Given the growing prevalence of electric vehicles, we have introduced a charging station collaboration model to further unlock the monetization potential of our customers' parking facilities. In this arrangement, we are responsible for charging station construction and share the charging service fees based on an agreed-upon ratio. With our stable cash flow and ability to provide sufficient capital, we can support our customers in building charging stations and developing the necessary software platform. This collaboration model is particularly well-suited for customers requiring investment assistance. To a lesser extent, we provide standalone operational services for parking facilities that have purchased our charging station systems.

Under the charging station collaboration model, pursuant to the agreements, we primarily provide key equipment for charging station operations, installation and commissioning services, as well as platform operations. The parking facilities are responsible for the protection and management of the charging equipment. The ownership of the charging equipment and related infrastructure we invest in remains with us. Upon the expiration of the collaboration period, which typically ranges from five to 10 years, the parking facilities may choose to purchase the equipment from us or have us dismantle it. Charging service fees received from vehicle owners and drivers are shared between us and the parking facility based on a pre-agreed revenue-sharing ratio.

Parking voucher collaboration (停車券採買合作)

We have introduced a parking voucher collaboration model to provide parking asset owners with immediate revenue streams while enhancing customer engagement through flexible and dynamic parking promotions. In this arrangement, we collaborate with parking asset owners to pre-purchase parking vouchers in bulk at a discounted rate. When vehicle owners and drivers pay their parking fees through *Speed Parking*, we can utilize the pre-purchased vouchers for settlement while retaining the actual fees paid by users, therefore earning the price differences. These vouchers can also be distributed through our platform to individual users, businesses and strategic partners, which can be applied by them in settling parking fees. By securing parking prepayments, operators benefit from enhanced financial liquidity while reducing revenue uncertainties tied to fluctuating occupancy levels.

Particularly, with our AI-powered data analytics, parking vouchers can be allocated strategically, targeting high-demand time slots or under-utilized spaces. In addition to securing upfront revenue, the parking voucher model enhances customer loyalty and engagement by integrating parking into broader urban service ecosystems. Parking facilities operators, especially those in commercial projects, can bundle parking vouchers with retail promotions, entertainment packages or corporate deals, creating cross-industry collaborations that drive business growth.

Under the parking voucher collaboration model, pursuant to the agreements, we purchase parking vouchers from parking facility owners and are entitled to use these vouchers for settlement within *Speed Parking* and retain the corresponding parking fees. We primarily monetize by earning price difference between the discounted parking vouchers purchased from the parking facility operators and the actual fees paid by users. We are also allowed to utilize the parking vouchers in attracting parking traffic. During the collaboration period, which typically ranges from one to one-and-a-half years, the parking facility is required to use our parking systems continuously and exclusively, ensure that our users can redeem parking vouchers at any time, and provide parking services to voucher users. The parking voucher procurement fees are settled in a lump sum.

Advertising collaboration (廣告合作)

Under our advertising collaboration model, we offer a versatile range of resources aimed at elevating the advertising potential of parking facilities.

Parking facilities serve as an ideal channel for advertising. Parking facilities are often situated at the key access points of residential communities, office buildings and commercial complexes. These locations are frequently accessed by both pedestrians and vehicles, providing a high transmission rate of advertising messages. Advertisers can effectively target a large base of potential audience with specific consumer behaviors and interests, allowing for precise audience targeting. Moreover, vehicles owners typically possess relatively higher purchasing power, which are attractive to advertisers. In addition, while waiting for their vehicles or walking to their destinations, vehicles owners and their companions are in a captive setting with minimal competition from other advertising media, making them more receptive to advertising messages.

Under the advertising collaboration model, pursuant to the agreements, we provide parking facilities with equipment, such as our parking fee management system with advertising-enabled parking barrier gates, free of charge, while parking facilities are granted only the right to use such equipment. We provide effective advertising placements to meet the diverse needs of advertisers. During the process, we are generally responsible for setting up advertisements on the barrier gates based on our analysis of foot traffic and exposure rate, setting reasonable advertising rates, contracting with advertisers, and ensuring timely placement and removal of the advertisements. The parking facility retains the parking fees, whereas advertising revenue from the advertisements placed on the barrier gates is retained by us. The term of agreement typically ranges from two to five years.

We typically use our standardized template agreement in advertising collaboration, under which the advertising customers are responsible for providing the advertising content and are contractually required to ensure that the advertising content does not violate any applicable laws and regulations, infringe upon any third-party intellectual property or other rights, or impair the public image or privacy of any third party. Furthermore, the customer undertakes in the agreement that the content of the advertisements complies with the Advertising Law of the PRC and other applicable laws. In the event that any advertisement results in complaints, claims or legal actions from third parties, the customer shall be solely liable for all resulting losses, including any fines, penalties or damages imposed on us or our affiliates, as well as all legal, travel, litigation and other related costs incurred in connection therewith. We have also adopted internal compliance policies, including the General Advertising Review Guidelines, which set out the standard process and clear requirements in reviewing advertising content. As advised by our PRC Legal Advisors, if an advertising operator or publisher knows or should reasonably know that an advertisement contains false or misleading information but still engages in the design, production, agency or publication of such advertisement, it may face penalties including confiscation of advertising fees and fines of up to three to five times the amount of the advertising fees. Where the advertising fees cannot be calculated or are clearly low, fines of up to RMB1 million may be imposed. During the Track Record Period and up to the Latest Practicable Date, we had not received any fines or penalties due to inappropriate, inaccurate or unverifiable content in the advertisements displayed.

Platform Operations (平台運營)

Our business, including smart parking systems, smart parking management services and parking facility and platform operations, is connected to online parking fee payment platform and online parking space rental platform as applicable, to enable relevant functions at the user side and provide us with monetization opportunities leveraging the user traffic.

Online parking fee payment platform (線上停車費支付平台)

Our online parking fee payment platform, *Speed Parking*, is a mass-market platform across China that revolutionizes parking management through the integration of big data, cloud storage and mobile connectivity. We offer *Speed Parking* to end users primarily through WeChat mini-program and official account, positioning it one of the mainstream smart parking platforms within the WeChat ecosystem. With its user-friendly interface and robust functionality, *Speed Parking* ensures smooth parking experience for users while facilitating efficient parking operations for parking asset operators. Key features include streamlined parking fee payments, electronic discount coupon distribution, automated electronic invoicing, online services for monthly parking passes and navigation assistance to locate parked vehicles, for parking facilities installed with our hardware and software products. For example, we provide electronic invoicing service for parking fees, ensuring an efficient billing and invoicing process for users while streamlining the financial record keeping of our customers. We also offer parking pass service, where users could apply for monthly parking passes or carry out renewal online through their mobile phones. Additionally, when vehicles evade parking fees by way of tailgating, we implement measures to facilitate fee collection. The application integrates with WeChat to remotely lock vehicles for extra security. It also delivers detailed operational and duty reports, oversees internal vehicle management, simplifies visitor authorization and efficiently handles maintenance work orders, all aimed at optimizing parking facility management and user convenience.

Speed Parking partners with third-party payment channels to secure discounted payment processing rates, based on which it develops parking payment products that charge standard rates to parking facilities. This forms the primary revenue model of *Speed Parking* as we are able to generate revenue through the differences between processing rates and commissions. We also offer paid membership services to users and electronic invoicing services to parking facilities, among others, through our *Speed Parking*.

We engage and reach our end users through multiple online and offline channels. These include our official WeChat public account, H5-based full-process parking page advertisements, text message notifications and social media platforms such as Xiaohongshu. In addition, we leverage physical materials deployed at parking sites to increase awareness and drive user adoption.

The following table presents certain information of our *Speed Parking*.

	As of/for the year ended December 31,		
	2023	2024	2025
Users *(in millions)*	166.4	185.0	199.0
Registered users *(in millions)*	36.6	39.5	42.7
Average monthly paying users *(in millions)*[(1)]	31.0	34.3	36.8
Monthly transaction amount *(RMB in thousands)*	630,475	707,355	762,639
Monthly transaction amount per paying user *(RMB)*	20	21	21

(1) Calculated by dividing the sum of monthly paying users, i.e., users that made payments on *Speed Parking* at least once in a given month, for each month of such period by the number of months in such period.

Online parking space rental platform (在線車位租賃平台)

Leveraging our accumulated parking resources through our decades of operations, our online parking space rental platform offers a convenient and efficient solution for users seeking to rent parking spaces on-demand. This can improve resource utilization in the industry and brought in new business opportunities for ourselves.

The online parking space rental platform operates as a distinct module within our *Speed Parking* mini-program, specifically designed to cater to users with regular and consistent parking needs. Unlike retail parking, which caters to occasional users and often varies by time and location, the rental platform enables designated parking spaces for users who require them on a recurring basis, supporting their daily or scheduled parking needs.

By connecting parking space owners with individuals in need of parking, we aim to facilitate transactions and flexible leasing options ranging from short to long term. The platform, coupled with our hardware and software products, will feature real-time availability updates, secure payment processing and user-friendly navigation, making it easy for users to find and reserve parking spaces that suit their needs. We transform parking space resources into carefully designed rental packages, which are published on our online parking space rental platform. We price the parking space rental packages based on the actual conditions of the parking facilities and the prevailing rates offered by nearby facilities. Our online parking space rental platform generates revenue by charging parking facilities service fees based on a pre-determined percentage of the order amount, or by earning fee differentials between the fees paid for parking spaces and the fees we charge to vehicle owners and drivers.

We reach our target end users for the online parking space rental platform through a combination of digital and physical channels. These include our official WeChat public account, advertisement placements within the full-process H5 parking interface, text message notifications, and social media platforms such as Xiaohongshu. Additionally, we utilize physical marketing materials deployed at parking facilities as well as advertisements displayed on parking barrier gates to enhance visibility and user acquisition.

We launched our online parking space rental platform in March 2025. From April to December 2025, the platform recorded a monthly transaction amount of RMB105.6 million and a monthly transaction amount per paying user of RMB386.

Case Study for Parking Facility and Platform Operations

Zhengzhou Yinji Plaza, located in the business district near Zhengzhou Railway Station, is a well-established apparel wholesale hub, covering approximately 320,000 square meters and serving a daily population of around 100,000. However, parking at the Zhengzhou Yinji Plaza encountered a number of challenges, including low traffic efficiency due to mixed vehicle types and peak-hour congestion caused by limited space availability. Additionally, the use of outdated equipment resulted in vulnerabilities in fee collection. The intersecting and unstructured traffic flows between logistics and customer areas led to conflicts during peak hours, ultimately driving up operating costs.

To cope with these issues, we have streamlined the operations of the parking facilities at Zhengzhou Yinji Plaza. We obtained the right to operate the parking facilities and assumed the responsibility for its transformation. Specifically, we equipped the entry and exit points with AI-powered high-speed license plate recognition cameras, millisecond-response barrier gates, and integrated payment terminals, enabling unattended operations and rapid vehicle access. To alleviate internal congestion, we installed real-time parking space availability displays at entrances to guide drivers and optimize traffic flows. In addition, all parking data has been synchronized in our system, allowing for visualized management and dynamic adjustment of space availability based on feedback. Real-time entry control has also been implemented according to actual parking capacity, improving space utilization and reducing waiting times. To address the conflicts between logistics and customer areas, we restructured traffic flows by separating logistics, customer, unloading, and non-motor vehicle areas. Specific gates and operating hours are designated for different vehicle types — for example, logistics and unloading vehicles now enter via the north gate only within fixed time windows, reducing peak-hour congestion and lowering operating costs.

In addition, QR code payment points have been added every 20 meters throughout the parking facility, along with speakers installed at every 100 parking spaces to remind drivers of the option for advance payment before exiting the facility. As a result, the rate of advance payment could reach up to 70%, leading to smoother vehicle turnover and an approximately 6% year-on-year increase in monthly revenue from retail parking. Accordingly, this project demonstrates our ability to effectively increase our profitability by growing revenue while controlling operating costs.

OUR TECHNOLOGIES

We believe that technology innovation has been the bedrock of our rapid growth and market leadership, and will continue to strengthen our competitive edges. As a technology leader in China's smart parking space operation industry, we have developed a "terminal-edge-cloud" collaborative network through in-house R&D, creating significant technological barriers in both hardware and software. In particular, we believe that our capabilities in AI and big data analytics as well as our technological infrastructure are imperative to our success.

AI

Through the application of AI technologies, we accelerate digital transformation in the parking space operation industry with both speed and scale. AI involves advanced analytical methods and logic-based techniques designed to build engineered systems that generate content, predictions, recommendations or decisions based on pre-defined goals. As the core technology underlying our smart parking business, we leverage AI across various applications to enhance operational efficiency, optimize resource allocation, and support informed decision-making.

Edge-cloud Collaborative Training Mechanism Driven by Foundation Models

We have established a global parking AI training center utilizing a heterogeneous cloud-edge architecture. This platform introduces an automated, continuous training framework specifically designed for parking scenarios, enabling optimization of training updates for recognition models. As such, we can customize AI models for various parking facilities, finely tuning to their unique characteristics. In practical applications, we integrate the capabilities of this platform into our operations, delivering quality experience that grows increasingly accurate and user-friendly over time for the connected parking facilities.

Specifically, the platform is built on a transformer architecture and incorporates a cloud-based auxiliary recognition system capable of optimizations on images that are misrecognized at the network edge. Leveraging self-supervised learning within a multi-modal foundation model, the platform automatically labels problematic samples and subsequently classifies interference factors, such as varying lighting conditions, environmental obstructions and lane angles specific to different parking facilities. By utilizing generative adversarial networks, the platform performs data augmentation on erroneous samples, effectively enhancing sample diversity. Finally, the platform continuously trains and cyclically tests model performance, iteratively updating the algorithms for edge-side cameras to ensure ongoing improvements in recognition accuracy and efficiency.

Our global parking AI training center is widely applied in parking fee management system, on-street smart parking management system and AI kiosk, enhancing license plate recognition accuracy through an automated collaborative edge-cloud training system. Edge-cloud collaboration plays a key role throughout both the development and application phases of our smart parking products and services. During product development, it enables large-scale collection of real-world data on license plates, vehicle types and vehicle behaviors from edge devices such as cameras and sensors, with preliminary filtering and pre-processing at the edge and high-precision labeling in the cloud, ensuring high-quality datasets for model training. This architecture allows edge-side rapid adaptation through small-batch fine-tuning for local scenarios, while the cloud conducts large-scale training to improve model generalization across diverse environments. For example, while we focus on fine-tuning the recognition models specifically for the unique characteristics of license plates in local areas on the edge, in parallel, we leverage cloud computing to integrate license plate data from different regions across the country to improve overall recognition capabilities. In the application phase, the mechanism supports real-time data processing, with edge devices performing immediate recognition tasks and the cloud delivering global insights to optimize operational strategies. It also facilitates continuous model iteration by feeding newly encountered feature data, such as uncommon license plates or parking behaviors, back into the training loop for ongoing performance improvement.

Computer Vision Centered Around Deep Learning

We have independently developed a deep learning-based license plate recognition algorithm that supports a wide variety of license plates from mainland China and 36 other countries and regions. Leveraging deep learning's end-to-end approach that automatically extracts useful features from large datasets, we can effectively reduce reliance on manually designed characteristics and enhance recognition accuracy under varying lighting conditions and angles. Furthermore, deep learning technology can quickly develop recognition algorithms for different regional license plates that vary significantly as to character types and formatting by training on diverse samples. In addition to precise license plate recognition, to date, we have also created a vehicle feature recognition algorithm capable of identifying over 230 vehicle logos, 1,660 vehicle models, as well as different vehicle types and body colors.

We utilize computer vision, multi-modal fusion and deep learning techniques to unify visual features such as vehicle appearance, license plates, vehicle types, colors and others into a multi-modal feature space. It employs convolutional neural networks, a transformer self-attention architecture and a fusion encoder to process and integrate features from different modalities. This technology can enhance vehicle recognition accuracy in parking operations, minimize recognition errors and omissions, thereby significantly improving vehicle passage efficiency and overall vehicle management processes.

Furthermore, we combine side-view sensing and sensor fusion techniques to overcome the challenges of accurately measuring vehicle dimensions by deploying side-facing cameras along entrance and exit lanes. We collect real-time data on vehicle sides and utilize Transformer feature extractors to perform deep fusion analysis across multiple cameras to accurately identify vehicle length information. As a result, parking facilities are able to distinguish between vehicles of different lengths, optimize parking fee pricing standards and parking facility layout plans, thereby improving space utilization efficiency and revenue generating capability.

This technology is extensively used in the parking fee management system, video-based parking space guidance and vehicle search system, parking space management system and on-street smart parking management system, enabling identification of vehicle length, type and license plate. During development, we select or customize vision algorithms to meet specific recognition needs. For example, to achieve effective vehicle type recognition, we use deep learning-based object detection and classification algorithms and perform meticulous annotation of large datasets of vehicle images, to train a specialized model tailored to our specific requirements. We rigorously test model accuracy and robustness by simulating diverse conditions, adjusting parameters. For example, in vehicle search system, we construct a dataset that includes license plates captured from various angles and under different occlusion conditions, which enables our model to learn and adapt to real-world scenarios. In the application stage, computer vision algorithms run in real-time on front-end devices such as cameras, enabling rapid license plate recognition for vehicle tracking, billing and access control. The system also maintains high performance under challenging conditions like glare, rain, or night lighting, using image enhancement and adaptive thresholding techniques to ensure reliable operation.

AI Agent

Utilizing active perception technology and autonomous decision-making models, our AI kiosk agents effectively address the low traffic efficiency and congestion issues prevalent in traditional manual kiosk management. We employ a combination of ultrasonic, millimeter-wave radar, lidar and low-power magnetic sensors, infrared signals and AI vision technology, to create a high-precision vehicle monitoring network. By leveraging reinforcement learning algorithms, edge computing technology and real-time autonomous decision-making algorithms, we achieve secondary recognition of vehicle characteristics, automated license plate modification and proactive call for assistance. As a result, we can automate the management of vehicle flows, reduces queueing during peak times and significantly improves traffic efficiency and user experience, while minimizing the need for manual intervention.

Our AI customer service agents are designed to resolve issues in traditional parking customer service scenarios, such as heavy workloads for human agents, long wait times for users and inaccurate responses. It integrates advanced technologies like large language models ("LLMs") and agent orchestration. By constructing a specialized vertical thought chain for the parking sector, it effectively avoids hallucination issues associated with LLMs in niche fields. Additionally, using agent model orchestration technology allows for the flexible combination of multiple expert agents that dynamically collaborate to handle complex customer service tasks, enabling automated handling of customer inquiries. Implemented in real-life parking operations, AI customer service agents significantly enhance the accuracy and timeliness of customer inquiries to drive satisfaction, while greatly reducing labor costs for improved operational efficiency.

AI agent technology is widely applied across our AI-native applications, *YongCe Pro*, the parking fee management system and modules such as AI reports, AI operational diagnosis and AI function assistant. AI agents play a vital role throughout the development and application of our smart parking products and services. During the development stage, we define their functional roles and design modular workflows. For example, when developing AI reports and AI diagnostics, we assort operating data metrics such as equipment status, vehicle traffic and billing amount, and design modules including data collection, analysis, diagnosis and feedback. These AI agents are trained using historical data. Taking the development of AI parking manager as an example, it is trained with data such as parking space utilization rate, peak hours, vehicle turnover efficiency, etc., so that it can master the operation rules of the parking facilities and output optimization strategies for parking space deployment and personnel scheduling. AI customer service agent, on the other hand, is trained with historical customer service conversation data in responding to frequently asked questions and guiding business processes. In the application stage, AI agents analyze real-time and historical data from the edge-cloud collaborative system to provide actionable insights, such as equipment maintenance scheduling or dynamic pricing timing based vehicle traffic patterns. They also support real-time operations — for instance, by adjusting parking guidance strategies based on vehicle types or optimizing staffing and payment lane deployment during peak hours.

Big Data Analytics

Big data analytics is a technology enabling systematic, cost-effective exploitation, processing and analysis of data in high volume with a wide range of varieties. We have formulated sophisticated data models to streamline the data analytics process. As such, we can efficiently describe the structure, associations and constraints relevant to data, identify essential metrics and encode conventions into reusable rules, to provide guidance for future tasks. We also conduct data mining by discovering and exploiting patterns from massive information in order to gain insights into future trends. We also visualize data to provide guidance for the decision-making process of our customers. We convert data into graphics for display and allow interactive processing in such data display to help customers understand and analyze the data in an efficient way.

Specifically, our parking system serves as a foundational system with extensive data management capabilities. We have developed *YongCe Pro* to integrate operating data with financial management, supporting the processing and querying of vast amounts of data, as well as multi-dimensional data model analysis. This involves the characteristics data of parking facilities and parking activity data generated from parking facilities and spaces we support, as well as financial and operating data derived from the internal workflows of these parking facilities. These capabilities effectively help customers monitor data changes intuitively and analyze business progress. Moreover, the system incorporates AI technology to further provide customers with operational analysis for their parking businesses and offer strategic recommendations.

We also address issues such as long processing time and low efficiency in manual report generation, weak data analysis capabilities, and challenges in deep data mining during parking management. We leverage data mining technologies to automatically analyze parking facility operating data, including parking asset utilization, vehicle behavior patterns and abnormal activity data. Specifically, our parking fee management systems capture multi-dimensional data across parking scenarios, which is then processed using *YongCe Pro*'s capabilities for classification and clustering analysis. This enables us to extract association rules from large-scale datasets and apply anomaly detection techniques to identify irregularities and issue risk alerts, thereby supporting strategy optimization and predictive analytics. For example, in terms of parking asset utilization, the data includes parking space types, parking duration and date attributes. This kind of datasets facilitates a granular assessment of real-time and historical parking demand and supply efficiency, enabling accurate forecasting of parking supply-demand dynamics. For vehicle behaviors, the data covers vehicle characteristics, parking locations, billing conditions and rules and time attributes. This kind of datasets supports vehicle profiling to match parking supply and demand more precisely and promote marketing conversion. For abnormal activity detection, the data includes device status, parking management actions and operational procedures. This enables the identification of anomalies such as sudden drops in parking revenue, device disconnections, increased fee evasion rates, irregular management behaviors and suspicious license plate activities. The system automatically flags such behaviors, triggers alerts, dynamically tracks response progress, analyzes root causes and feeds the results back into the system to enhance its performance. As such operating data is acquired during our daily operations, we do not incur additional data acquisition costs. Applicable PRC laws and regulations have not yet established clear provisions regarding the ownership of such data. Based on the data sources, our contractual agreements with customers and judicial practices, we have the rights to own and utilize the data collected by customers using our cloud-based systems or operating parking facilities. We also hold the rights to the conclusive information generated from processing such raw data, including data ownership, usage and operation rights. All data is stored within China. Through prompt engineering techniques, we efficiently generate text reports with clear business value and data insights. By automatically producing high-quality analysis reports, we assist parking asset owners and operators in making informed, data-driven decisions.

Technological Infrastructure

Distributed Cloud-native Architecture

Our fully proprietary system architecture allows for high availability, rapid iteration and personalized management, meeting the evolving demands of urban parking. The distributed multi-node solution supports the continuous operation of parking systems across approximately 27,000 parking facilities nationwide, effectively safeguarding business continuity.

Our distributed cloud-native architecture underpins systems including *YongCe Pro*, parking fee management system, on-street smart parking management system, our AI-native applications, providing robust and scalable infrastructure.

Plug-in Agile Development Platform

We have developed a plug-in management platform that allows us to meet diverse customization needs for various customers. Based on this platform, we can provide personalized features to our customers in a plug-in approach. This platform also enables the simultaneous operations of multiple personalized plug-ins while maintaining system stability.

Our plug-in agile development platform is primarily applied in the parking fee management system, enabling rapid development of customized features.

Multi-modal Heterogeneous Network Communications Architecture

We implement a heterogeneous network for parking guidance. Utilizing low-power wide-area network ("LPWAN") technologies and a reliable wired backbone, we support multiple wireless access modalities, such as LoRa, IoT and 5G, to ensure high compatibility and robust system performance.

Our multi-modal heterogeneous network is widely adopted in *YongCe Pro*, parking fee management system, parking space management system, charging service system and on-street smart parking management system, supporting edge-cloud communication functionalities.

RESEARCH AND DEVELOPMENT

We believe that R&D is pivotal to our value creation, which has driven our rapid growth since our inception and will continue to lead our future development. We have continuously invested in our R&D efforts to expand our offerings and advance our technological competitive edge.

Our R&D efforts are structured across three key divisions, each specializing in different aspects of technological advancement, ensuring that we remain at the forefront of industry innovation. Our hardware R&D center is responsible for the development and management of all hardware products, ensuring that our products meet the highest standards of performance, reliability and cost efficiency. This center oversees the design and implementation of hardware products, image processing algorithms, manufacturing tools and quality control systems. Our software development center manages the development of our core software products, data processing and storage systems and cloud-based services. Our research institute plays a strategic role in long-term innovation. This division is dedicated to exploring new product initiatives, planning product strategies, managing product lifecycles, and fostering external technical collaborations. Additionally, it conducts in-depth market research on the evolution of the smart parking space operation industry, incubates new business models and explores emerging technologies. By continuously pushing the boundaries of innovation, our research institute ensures that we stay ahead of industry trends.

The engagement of R&D talents with professional expertise and industry experience is crucial to the long-term success of our business. To that end, we have assembled a strong and well-qualified R&D team with backgrounds in relevant disciplines, such as AI, big data analytics and cloud computing. As of December 31, 2025, our R&D team comprised 215 members, representing 10.8% of our total employees as of the same date. Our research and development expenses were RMB42.6 million, RMB45.0 million and RMB44.3 million in 2023, 2024 and 2025, respectively, representing 5.8%, 5.6% and 5.3% of our total revenue in the same years, respectively. See "Financial Information — Discussion of Major Profit or Loss Items" for details.

SALES AND MARKETING

Sales Arrangements

Our sales department is primarily responsible for sales arrangements. In line with industry norm, we primarily focus on direct sales, with distribution channels as a supplement for our smart parking systems business. The direct sales model is primarily supported by our local sales teams, which have been established in most prefecture-level cities across more economically developed regions such as the southeastern coastal region of China. Our local sales teams primarily engage in direct marketing initiatives and customer visits to promote our products and services. Our marketing strategy for direct sale is designed to enhance brand visibility and drive business growth through a diverse mix of online and offline channels. We participate in various major industry exhibitions and conferences, both domestically and internationally, to showcase our latest products and solutions, engage with industry professionals and strengthen relationships with potential customers. Additionally, our local sales teams conduct on-the-ground outreach efforts, organizing offline activities and customer interactions to boost brand recognition and market penetration. Our marketing strategy is predominantly digital, with a focus on internet platforms and search engine optimization to drive online traffic and customer engagement. We strategically utilize industry-specific digital media and keyword search advertising to enhance our brand reach. Furthermore, we actively maintain a presence on social media platforms and self-publishing channels, including WeChat official accounts, to keep our audience informed about company updates, product innovations and industry trends.

Our distributors extend sales of our smart parking systems to end customers which are not covered by our in-house sales team. In 2023, 2024 and 2025, we had a network of 49, 47 and 48 distributors, respectively, and generated 2.4%, 1.9% and 1.5% of our revenue from sales to distributors, respectively. The follow table sets forth a breakdown of distributors by geographic location for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Eastern China	13	12	12
Southern China	7	6	7
Central China	7	9	9
Northern China	8	8	8
Southwestern China	6	4	4
Northwestern China	6	6	6
Northeastern China	2	2	2
Total	**49**	**47**	**48**

Our collaboration with distributors are often geographically exclusive, to prevent cannibalization and streamline our channel management efforts. In geographic regions where we collaborate with more than one distributors, we generally adopt a business opportunity reporting mechanism to further prevent cannibalization. In particular, we have implemented the Distributor Operations Management Measures, under which distributors are strictly required to operate within their authorized geographic regions and unauthorized cross-regional sales are subject to warnings and escalating penalties, including monetary fines and, in repeat cases, termination of distributorship. Where cross-regional collaboration is necessary, a standardized coordination and approval process is enforced to ensure transparency and traceability. Our distributors generally are required to seek our prior written approval if they want to engage sub-distributors. We have established standardized distributor management policies covering selection, authorization, performance evaluation, compliance supervision and exit mechanisms. We require compliance with our pricing policies and brand management standards, and monitor distributor activities through periodic reviews and spot checks. Distributors generally place procurement orders with us based on the specific requirements of their agreements with end customers for individual projects. All orders are linked to a unique parking facility ID within our BI system, which allows us to monitor the inventory level of our distributors and minimizes the risk of channel stuffing. Our distribution agreements generally set out terms relating to territorial exclusivity, minimum purchase commitments, marketing and after-sales obligations, confidentiality and termination rights. Distributors are required to operate strictly within their authorized territories and maintain dedicated teams for sales and technical support. We reserve the right to impose penalties or terminate distributorship in the event of material breaches. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material violation of our distribution agreements or distributor management policies, nor were we involved in any material disputes with our distributors. As such, our Directors are of the view that the current measures for managing our distributors are sufficient and effective.

Our relationship with our distributors is that of seller and buyer and not principal and agent. We have no ownership or management control over any of our distributors. We recognize revenue generated from sales to distributors using the amount of wholesale prices entered into with our distributors and in accordance with the same principles as direct sales as discussed in "Financial Information — Material Accounting Policy Information, Estimates and Assumptions — Revenue and Other Income."

During the Track Record Period and up to the Latest Practicable Date, to the best of our Directors' knowledge, save for acting as our distributors, none of our distributors (including their respective shareholders, directors, senior management or any of their respective associates) had any past or present relationship (including, without limitation, business, family, trust, employment, shareholding, financing or otherwise) with our Company, our subsidiaries, Shareholders, Directors, senior management or any of their respective associates. During the Track Record Period and up to the Latest Practicable Date, we did not provide any material advance or financial assistance to our distributors.

Pricing and Fee Model

Smart Parking Systems

We have established a unified pricing policy for our smart parking systems nationwide, under which the prices are determined with reference to (1) our internal gross margin targets, including profit considerations specific to different sales channels, such as direct sales and sales through distributors, (2) costs involved in delivering our products, including costs differences arising from self-developed and outsourced components and types of hardware and software, (3) the prevailing market prices of comparable products offered by peers in the smart parking space operation industry, and (4) industry regulations. We may also adjust our pricing based on market dynamics and our marketing strategies, to remain competitive.

We provide a range of integrated systems tailored for both vehicular and pedestrian areas. The average selling prices of our smart parking systems were approximately RMB2,001, RMB2,190 and RMB2,605 per set in 2023, 2024 and 2025, respectively. The price of core equipment ranges from several hundred to tens of thousands of RMB per unit, depending on equipment specifications, its application (whether for individual parking spaces, access control lanes, or entire parking facilities) and the specific recognition or control functions involved. The average number of sets of smart parking systems procured per parking facility was 15, 14 and 11 in 2023, 2024 and 2025, respectively. The decrease in the average number of sets of smart parking systems procured per parking facility reflected our business mix optimization in response to the evolving market demand. First, since 2025, we have seen strong growth in after-sales services, which primarily relate to equipment upgrades, replacements or other maintenance services for existing customers. Such services typically involve only partial equipment replacements or targeted upgrades, and therefore require fewer sets per facility compared to sales of hardware products. Second, the slowdown in China's real estate industry has gradually shifted market demand from construction of new parking facilities to upgrades of existing facilities on an as-needed basis, where customers determine the required number of sets based on specific equipment conditions and upgrade objectives, leading to a decrease in the average number of sets. Similarly, the average selling prices per contract, calculated by dividing the revenue generated from smart parking systems by the number of new contracts, were RMB26,424, RMB30,007 and RMB27,089 in 2023, 2024 and 2025, respectively.

For smart parking systems, we sell standardized hardware products to customers, along with optional value-added services, including implementation services, SaaS arrangements and service-type warranty services. These are considered separate performance obligations under our smart parking systems business but are often bundled together under a single project. Depending on customer requirements, we offer three primary delivery models, including supply-only model, commissioning-supported model and turnkey model that also integrates construction and installation, with project-based pricing determined by scope and complexity. Under the supply-only model, we fulfill our contractual obligations by delivering the smart parking systems, including hardware and software products, with no additional responsibilities for system commissioning or on-site installation. The commissioning-supported model requires us to not only supply the systems, but also to provide technical support for system commissioning. System commissioning, in particular, involves system integration and on-site testing and configuration to ensure that the smart parking systems operate in accordance with the required specifications. Under the turnkey model, we take full responsibility for supply, on-site construction, installation and commissioning. To support scalable and efficient service delivery, particularly in overseas markets, we have transitioned from localized software deployment to network-enabled systems that allow remote diagnostics, upgrades and technical support. Building on this transition, we have adopted both lump-sum and installment-based payment models, and determine the specific payment arrangements based on our customers' budgets and purchasing power. The following table sets forth a breakdown of our revenue generated from smart parking systems by delivery model for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Supply-only model	217,932	48.2	182,795	38.2	162,305	34.0
Commissioning-supported model	82,638	18.3	81,957	17.1	97,455	20.4
Turnkey model	131,063	29.0	182,628	38.1	171,683	35.9
Others[(1)]	20,935	4.6	31,495	6.6	46,494	9.7
Total	**452,568**	**100.0**	**478,876**	**100.0**	**477,937**	**100.0**

(1) Others primarily included revenue generated from operation maintenance services offered on a standalone basis.

Smart Parking Management Services

We charge customers a fixed monthly fee for our services, which is determined based on the number of entrance and exit lanes, or, to a much lesser extent, adopt a revenue-sharing model, where we collect a fee based on a predetermined percentage of the parking facility's revenue. The revenue-sharing percentage generally ranged from 10% to 50% of the revenue, and in certain arrangements can be tiered according to the amount of revenue generated and be subject to a predetermined cap. The specific percentage is determined based on the actual revenue benchmark and corresponding service fee of each parking facility. Different rights and obligations are also set out in the agreements to mitigate collection risks. The following table sets forth a breakdown of our revenue generated from smart parking management services by fee model for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Fixed monthly fee model	174,732	93.5	169,852	87.2	153,208	87.0
Revenue-sharing model	12,120	6.5	24,874	12.8	22,860	13.0
Total	**186,853**	**100.0**	**194,726**	**100.0**	**176,068**	**100.0**

For our smart parking management services, we offer three primary service packages, including (1) hardware plus service integrated packages that provide end-to-end solutions, (2) service-only packages designed for customers with existing hardware and software, where we provide cloud-based kiosk agent services and operation and maintenance only, and (3) renewal-based packages, which offer flexible service renewal for existing customers with expiring service terms. The monthly service fee for each project varies based on the service package and project scale, generally ranging from several thousand to tens of thousands of RMB. For service-only model, we target customers whose existing hardware and software used in their parking facilities were previously procured from us by either the customer themselves or by the parking facility contractors, to ensure full compatibility. The following table sets forth a breakdown of our revenue generated from smart parking management services by type of service package for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Hardware plus service integrated packages	174,015	93.1	164,022	84.2	141,091	80.1
Service-only packages	4,354	2.3	4,359	2.2	5,384	3.1
Renewal-based packages	3,733	2.0	7,853	4.0	11,544	6.6
Others[(1)]	4,751	2.5	18,492	9.5	18,050	10.3
Total	**186,853**	**100.0**	**194,726**	**100.0**	**176,068**	**100.0**

(1) Others primarily included revenue generated from on-street parking management and other project management services.

In 2023, 2024 and 2025, the average monthly service fees per entrance and exit lane were approximately RMB1,004, RMB970 and RMB892, respectively. These figures excluded on-street parking management and other project management services, for which the concept of entrance and exit lanes is not applicable. The decrease in our average monthly service fees per entrance and exit lane was primarily because certain customers tended to choose lighter-asset or lower-tier service packages, including selecting service packages requiring fewer hardware products or engaging us only for remote kiosk agent services while using their legacy or self-purchased equipment.

Parking Facility and Platform Operations

We derive revenue from three types of operational models, including (1) integrated operations, including contract operation and off-peak usage collaboration, (2) value-added operations, including charging station collaboration, parking voucher collaboration and advertising collaboration, and (3) platform operations, including online parking fee payment platform, i.e., *Speed Parking (速停車)*, and online parking space rental platform.

As to integrated operations, under our contract operation model, we obtain the right to occupy parking facilities at a fixed fee. Under contract operation model where we adopt a revenue-sharing model with no minimum income, we are generally able to retain all revenue from operations derived directly from parking facility users, i.e., vehicle owners and drivers, including parking fees and fees from a range of value-added services developed within the parking facilities. Under certain circumstances, we use historical operational income as a benchmark, ensuring that owners maintain their baseline revenue level. Any additional income beyond this benchmark is first allocated to recoup our system and service investments, with the remaining income shared, allowing us to retain a proportion between 30% and 50%. Parking fees that we charge vehicle owners and drivers can be varied upon location and time of day, taking into account the rates offered by nearby parking facilities. Depending upon duration of stay, we charge standard hourly rates or offer long-term parking passes with monthly or annual access. We may also adopt a minimum income plus revenue-sharing model to provide greater clarity regarding our returns. Our revenue and cost under the contract operation model where we adopt a minimum income plus revenue-sharing model are recognized on a net basis, as we provide services to owners of the parking facilities (i.e., the customers) to support their operations. We generate service fee revenue from the share of the gross transaction value received by the customers with a contractual minimum amount. The customers control the operations of the parking facilities and make relevant decisions on the parking service offerings and fee levels to users of the parking facilities. We act as an agent to collect the parking fees from users of the parking facilities on behalf of the customers. In cases where we make upfront payments to the customers, the amounts are expected to be recoverable based on the expected future cash flows from the service contracts with the customers. The payments are not made in exchange for a distinct good or service that the customers transfer to us, and as a result, the amounts are amortized as a reduction in the revenue derived from the services that we provide to the customers. Our off-peak usage collaboration adopts dynamic pricing for parking fees based on parking type, user profile and time factors, with us typically retaining at least 30% of the revenue under the sharing mechanism with parking facility owners.

As to value-added operations, service fees that we charge vehicle owners and drivers under charging station collaboration model range from RMB0.3 to RMB0.8 per kWh depending on electricity cost and market conditions, with us generally receiving no less than 60% of the revenue under the sharing mechanism with parking facility owners. Parking voucher collaboration considers our fund investments and aims for an annualized internal rate of return of no less than 12%. Advertising collaboration is usually charged on a monthly per-unit basis against advertisers, with rates adjusted based on campaign duration, volume and customization needs.

For platform operations, *Speed Parking* partners with third-party payment channels to secure discounted payment processing rates, based on which it develops parking payment products that charge standard rates to parking facilities. *Speed Parking* also generate fees from paid membership services and electronic invoicing services. Our online parking space rental platform generates revenue by charging parking facilities service fees based on a pre-determined percentage of the order amount, or by earning fee differentials between the fees paid for parking spaces and the fees we charge to vehicle owners and drivers.

Customer Support

We believe our dedicated customer support is key to nurturing a long-term relationship with our customers. We place great emphasis on improving customer experience at each step. We provide pre-sale consultation, onboarding implementation support and training at the initial stage. With 24/7 live chat and phone support, we help customers configure and use our solutions. We can provide immediate response, usually within minutes, upon receiving inquiries from customers, and offer regular progress updates to ensure the timely resolution of related issues and minimize the negative impact on customers' experience and business operations. We also offer ongoing maintenance and support services to ensure reliable performance. Most importantly, we understand our customers through customer support, which guides our future R&D initiatives and helps us to identify and capture new business demands as they arise and evolve.

In particular, for our customers who receive premium customer services with elevated standards and service requirements, we generally designate specialized customer service personnel to attend to their specific demands, who in turn work with our R&D team to enable targeted customer support. We provide regular on-site inspection and maintenance and ensure a maximum response time of 30 minutes with dedicated teams reaching the site within two to four hours for customers, supported by a warehouse of readily available hardware parts. As such, we are able to promptly resolve on-site anomalies and restore the normal operations of parking facilities, therefore minimizing downtime and safeguarding the proper, continuous functioning of critical assets.

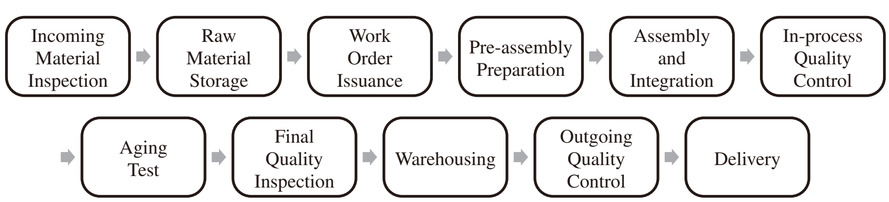
PRODUCTION

We formulate monthly production planning based on current sales orders, taking into consideration, among others, historical sales volume, product shipment data, inventory levels, and the utilization rates of our production facilities. This approach ensures that we align our production capacity with market demand effectively. We have implemented a set of internal production and operation protocols to promote our compliance with applicable industry standards. We carry out regular inspections to assess the conditions of our production facilities and conduct necessary repairs and maintenance. We have also introduced and implemented a stringent reporting system as to all the accidents and equipment malfunctions and keep all the relevant records.

During the Track Record Period and up to the Latest Practicable Date, we manufactured our smart parking hardware products through (1) our two production facilities in Xiamen, Fujian province and Chongqing, respectively, as well as (2) our contract manufacturing partners. We believe our stable cooperation with qualified third-party manufacturers enhances our operational efficiency and flexibility while allowing us to consistently produce high-quality products. As of the Latest Practicable Date, we were also constructing a new production facility in Xiamen, Fujian province to expand our production capacity and improve production and logistics efficiency.

Production Process

Our production process covers material inspection, assembly, testing, and warehousing and delivery, with quality controls integrated at every stage. The following diagram illustrates the principal steps of the production process generally applicable to our smart parking hardware products.



- *Material inspection*. We conduct strict incoming quality control to ensure materials procured from suppliers, such as sheet metal, electronic components and wires and cables, conform with our quality standards and design specifications. Specifically, the electronic components we procure mainly include integrated circuits ("ICs"), printed circuit boards ("PCBs"), various types of resistors and capacitors, LEDs, bluetooth modules and 4G communication modules. Once the raw materials are approved, they are transferred to storage. We then prepare all necessary materials and equipment in advance, based on production work orders, to facilitate a smooth assembly process.

- *Assembly*. We have assigned specialized personnel to different production lines to enhance efficiency and quality. Hardware components are systematically assembled into finished units in accordance with our product design drawings, with our proprietary software, pre-installed or configured as needed. We integrate in-process quality control checkpoints throughout the process to ensure precision and consistency in assembly.

- *Testing*. Following assembly, each unit undergoes a full range of tests, including appearance checks, functional verification and burn-in testing, to validate product reliability and performance. For example, we conduct rain tests to evaluate the products' ability to withstand exposure to rain and moisture, and salt spray tests to test the corrosion resistance of materials and coatings. We also conduct a final inspection before the products proceed to storage.

- *Warehousing and delivery*. Once approved, finished products are transferred to our warehouses and prepared for delivery in accordance with customer schedules. Before shipping, we conduct a full set of outgoing quality control and testing to ensure that all products meet our quality standards.

In addition to in-house production, we also engage qualified manufacturing partners for outsourced manufacturing. The production of certain products or product components and parts requires specialized manufacturing and testing equipment, such as surface mount technology pick and place machines, reflow ovens and automated optical inspection equipment, as well as a skilled technical team to ensure orderly production and product yield. We typically outsource the production of such products or components based on cost-efficiency considerations, allowing us to focus more on our core operations, such as product design and development. Our contract manufacturing partners custom-manufacture based on the design drawings provided by us. See "— Raw Materials and Inventory Management — Raw Materials." They are also responsible for basic assembly and equipment testing of our products. Upon delivery, we perform programming of core functions, software upgrades, functional retesting and configure product parameters and customizations according to specific customer requirements. We also conduct high-temperature aging and other reliability tests to ensure the confidentiality of core image algorithms, maintain high product quality and reliability, and meet customized needs.

When selecting contract manufacturing partners, we primarily consider production capacity, quality control, delivery capability, and process level. These partners undergo our internal vetting procedures jointly conducted by our quality control and R&D departments. Currently, we partner with several third-party manufacturers and have back-up manufacturers for each category. We do not anticipate any significant risk of capacity shortages in the future. Contract manufacturing is governed by procurement agreements. The procurement agreements with manufacturing partners typically include the following salient terms:

- *Rights and obligations.* When providing products to us, manufacturing partners are required to strictly adhere to our technical specifications and cooperate with our quality inspection and acceptance procedures throughout the production and delivery processes. They are contractually obligated to assume responsibility for any product defects attributable to their manufacturing, and to provide timely corrective actions, including repair, replacement or refund, as applicable.

- *Pricing terms.* The procurement agreements generally include a "most favored customer" provision, pursuant to which the prices offered to us by manufacturing partners shall be no higher than the lowest price offered to any other customer under comparable conditions. This ensures that we benefit from competitive pricing terms across similar procurement transactions.

- *Warranty period and warranty retention.* Our procurement agreements typically provide for a one-year warranty period, during which manufacturing partners are required to offer free repair, maintenance or replacement services for defective products, as well as a certain amount of warranty retention money for additional quality assurance.

- *Quality assurance arrangements.* Each procurement agreement is typically supplemented by a quality assurance agreement, which outlines the applicable quality control and acceptance standards and the procedures for handling substandard products.

During the Track Record Period, we outsourced the manufacturing of (1) a number of components and parts of hardware products, such as board modules and components requiring silk screen printing, as well as (2) finished products. Currently, the outsourced finished products mainly consist of pedestrian products, including pedestrian access gates and access control devices. Finished products refer to those independently manufactured through the contract manufacturing process, which can directly fulfill their designated functions and be sold upon delivery. Components and parts, on the other hand, possess only specific or basic functionalities and requires further core production and processing by us before becoming finished products.

The following table sets forth our in-house production and contract manufacturing volume by product type, as measured on a per-unit basis.

	Year ended December 31,					
	2023		2024		2025	
	Finished products	Components and parts	Finished products	Components and parts	Finished products	Components and parts
Parking products	**150,408**	**906,963**	**157,204**	**974,062**	**144,514**	**846,382**
In-house production	150,408	36,843	157,204	29,319	144,514	33,247
Contract manufacturing	—	870,120	—	944,743	—	813,135
Pedestrian products	**20,718**	**55,678**	**21,301**	**31,120**	**15,288**	**15,446**
In-house production	20,713	—	20,615	—	14,209	—
Contract manufacturing	5	55,678	686	31,120	1,079	15,446

When measured at the level of components and parts, the number of outsourced units appeared to be higher than that of in-house manufactured units. This was mainly because most components and parts are sourced from our contract manufacturing partners, and a single finished product typically comprises multiple such components and parts. Accordingly, the unit count of components and parts is not directly comparable to the number of finished products. The outsourced components and parts are subsequently incorporated into our in-house assembly and system integration processes before becoming finished products capable of fulfilling their designated functions. As shown in the table above, our finished products were predominantly manufactured in-house during the Track Record Period, as all finished parking products and the vast majority of finished pedestrian products were manufactured in-house, and only a small portion of the manufacturing of finished pedestrian products was outsourced. As such, the majority of our smart parking hardware products are manufactured in-house.

The table below sets forth the breakdown of in-house production and contract manufacturing costs by product type, which included costs related to both finished products and components and parts. The in-house production costs for parking products decreased during the Track Record Period, primarily due to (1) our continuous cost optimization measures, including adopting cost-effective alternative raw materials, optimizing technical designs to reduce redundant components and enable the use of more cost-efficient alternatives, and negotiating prices with suppliers, together with improved production efficiency driven by economies of scale, and (2) the decrease in product volume from 2024 to 2025, which was attributable to lower sales of our smart parking systems as market demand shifted from new construction and equipment deployment to the renovation and upgrade of existing facilities.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Parking products	**172,588**	**100.0**	**155,394**	**100.0**	**125,090**	**100.0**
In-house production	102,928	59.6	92,905	59.8	78,296	62.6
Contract manufacturing	69,660	40.4	62,490	40.2	46,794	37.4
Pedestrian products	**17,494**	**100.0**	**14,809**	**100.0**	**9,155**	**100.0**
In-house production	15,213	87.0	10,689	72.2	4,353	47.6
Contract manufacturing	2,281	13.0	4,120	27.8	4,802	52.4

Our contract manufacturing costs included (1) processing fees paid to our contract manufacturing partners and (2) costs of raw materials purchased directly by us. Notably, the processing fees paid to the contract manufacturing partners were minimal, and the majority of the contract manufacturing costs represented raw materials purchased directly by us. Specifically, in 2023, 2024 and 2025, we incurred processing fees of RMB3.2 million, RMB3.7 million and RMB3.2 million, respectively, accounting for 4.5%, 5.5% and 6.2% of our total contract manufacturing costs for parking products and pedestrian products in the same years, respectively.

Our parking products mainly include the accompanying hardware products for parking fee management system, ultrasonic parking space guidance system, video-based parking space guidance and vehicle search system, parking space management system, charging service system and on-street smart parking management system. Our pedestrian products represent the accompanying hardware products for smart pedestrian management system. See "— Our Offerings" for details of the relevant hardware and software products.

Manufacturing execution system ("MES") plays an important role in controlling and monitoring in real time the entire production process through which raw materials are converted into finished goods. MES bridges our enterprise resource planning system and our production processes, providing real-time data and insights to optimize manufacturing operations. In addition, MES generates dynamic production schedules, provides traceable production data and analyze key performance indicators, which improves productivity and enhances product quality. We have also developed electronic manufacturing standard operating procedures ("SOPs") for each production line to ensure consistency, quality and compliance with industry standards and regulation requirements. Our well-structured SOPs also serve as effective tools for the training of our manufacturing personnel and streamline operations by reducing errors and improving productivity.

Our Production Facilities

As of the Latest Practicable Date, we had two production facilities. The following table sets forth certain information regarding our production facilities as of the Latest Practicable Date.

Production facility	Total gross floor area	Main functions
Xiamen, Fujian province	23,675.57 square meters	Production and warehousing of our major smart parking hardware products
Chongqing	950 square meters	Ancillary production processes to complement our production facility in Xiamen, Fujian province

The equipment and machinery we own and use for manufacturing and testing mainly include assembly lines, automatic screw locking machines, salt spray testers, rain test chambers, constant temperature humidity testers and other testing instruments designed to verify the performance and resistance of our products. The useful lives of these machines generally range from five to eight years. For details of the depreciation method of our equipment and machinery, see Note 2(g) to the Accountants' Report included in Appendix I to this prospectus.

The following table sets forth our production capacity, production volume and utilization rate of our smart parking hardware products for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Parking products*			
Production capacity(1)	158,080	173,472	152,327
Production volume(2)	150,408	157,204	144,514
Utilization rate(3)	95.2%	90.6%	94.9%
Pedestrian products*			
Production capacity(1)	21,216	22,152	15,288
Production volume(2)	20,713	20,615	14,209
Utilization rate(3)	97.6%	93.1%	92.9%

* The production capacity and volume of parking products and pedestrian products are measured on a per-unit basis. For example, each high-speed license plate recognition camera, parking barrier gate, self-service payment terminal, ticket and card dispenser, network intercom device and embedded server of the parking fee management system, and each access control device, facial recognition device and pedestrian access gate of the smart pedestrian management system, are counted separately as individual units. See "— Our Offerings" for details of the relevant hardware products. One set of smart parking systems, on the other hand, consists of one unit of core equipment together with the required units of ancillary equipment, which together enable the system to function as an integrated solution.

(1) Production capacity refers to the actual production capacity utilized by our production facilities in operation. Production capacity differs from rated capacity due to (i) adjustments in workforce attendance hours based on demand, (ii) changes in standard working hours per unit from process optimization, and (iii) workforce adjustments. In addition, production capacity is calculated based on the assumption that our production facilities operate 260 hours per month, which is derived from 10 operating hours per day over 26 operating days. Rated capacity refers to the maximum output of qualified products that a production line can achieve per unit of time under ideal operating conditions — where industry-standard production parameters and equipment design specifications are met, raw material supply is stable, and the production team operates at full capacity and efficiency.

(2) Production volume refers to the number of units produced in the period indicated.

(3) Utilization rate of the period indicated is calculated by dividing the production volume in that period by the production capacity of the same period.

We may from time to time adjust the layout and staffing across different production lines based on current order volumes to ensure optimal utilization of production resources, therefore resulting in fluctuations in production capacity. The change in production capacity also reflects our response to macroeconomic conditions and industry trends. For example, the production capacity and volume of parking and pedestrian products decreased in 2025 as we optimized production scheduling in response to fluctuations in industry demand and order volumes.

Expansion Plan

In light of our relatively high production capacity utilization rates and the increase in market demand, we are in the process of constructing a new production facility in Xiamen, Fujian province, which is primarily intended for the manufacturing of larger-scaled products. We also plan to equip the facility under construction with warehousing and logistics functions. As of the Latest Practicable Date, the construction of the facility has been largely completed and the project is currently undergoing relevant inspection and acceptance procedures, including quality acceptance and fire safety acceptance in accordance with applicable PRC regulations. The new production facility will have a total gross floor area of approximately 46,740 square meters based on our initial planning and house equipment and machinery such as high-speed chip mounters, multi-functional chip mounters, rapid temperature change test chambers, storage racks and robots and AI manufacturing systems. We will also gradually equip our production facility with production and testing machinery. Some of our existing production capacity may be relocated to this new facility to better accommodate product-specific space requirements and enhance overall production efficiency. The new production facility is expected to commence operations in second half of 2026. The facility, once fully put into operations, is expected to have an aggregate annual production capacity of approximately 200,000 units of parking products under our current production configuration.

We expect to incur a total capital expenditure of approximately RMB211 million based on our initial planning for the construction of the above-mentioned new facility, which will be funded primarily through cash flows generated from operating activities and financing activities. See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to implement our expansion plan as planned, our business and prospects could be materially and adversely affected."

RAW MATERIALS AND INVENTORY MANAGEMENT

Raw Materials

The primary raw materials used in our production primarily include sheet metal, electronic components and wires and cables. Specifically, the electronic components we procure mainly include ICs, PCBs, various types of resistors and capacitors, LEDs, bluetooth modules and 4G communication modules. Our self-manufactured products are designed by our R&D department, covering structural component design, electronic control system design and software design. Structural components (such as sheet metal) are custom-manufactured by qualified suppliers based on design drawings provided by our supply chain department. The electronic control system primarily refers to PCBs. Core electronic components, such as ICs, are procured by us and outsourced to surface mount technology service providers for production in accordance with our design specifications. The software department designs control programs based on product requirements and provides them to suppliers for programming into the PCB modules.

We have formulated detailed quality standards for raw materials, covering both technical specifications and regulatory compliance requirements. We only procure raw materials from selected suppliers that can satisfy our stringent standards to ensure the consistently high quality and performance of our smart parking products. We adhere to a structured procurement process that includes internal order approval, supplier communications, delivery confirmation, and coordination with the production planning team for any necessary adjustments. For raw materials with long lead times, we provide suppliers with three-month rolling forecasts and issue monthly purchase orders accordingly. All raw materials supplied will be subject to continuous inspections during our cooperation, and will only be admitted into our production facilities upon passing our strict inspections.

Most of our raw materials are manufactured and sourced domestically. Some of the ICs we use are from overseas manufacturers, and we source such ICs exclusively from their distributors in China. Such ICs, primarily produced by manufacturers in Japan and Korea, are used in ancillary components and do not constitute core functionalities of our products. We have maintained a list of backup suppliers to minimize the risks associated with shortage of raw materials. Furthermore, we are inclined to procure an increasing portion of the raw materials from qualified domestic suppliers, to shield against potential risks caused by international relations. We believe have maintained stable business relationships with our major suppliers of raw materials. During the Track Record Period and up to the Latest Practicable Date, we did not experience any shortage of raw materials nor significant fluctuations in the prices offered by our suppliers that would have a material adverse effect on our business and operations. We do not anticipate significant changes to our procurement model or major sourcing challenges in the near future.

Inventory and Delivery Management

We leverage our self-owned and leased warehouses for storing raw materials, work in progress and finished products, and engage third-party logistics service providers for delivery coverage. We have established a strict management system to monitor our entire warehousing process, with clearly defined departmental responsibilities and robust procedures.

We generally maintain an inventory level of one to one and a half months' sales volume for our finished goods, along with a supply of raw materials sufficient for three to six months. which may vary according to customer demands and our sales and production plans. We determine the required inventory levels of raw materials and finished products based on shipment trends for the last three months, and order and inventory levels. Raw materials are separately stored in different areas of the warehouses according to their respective storage condition requirements, properties, usages and batch numbers. All our products are sold on a first-in-first-out basis. We examine our work in progress and finished products frequently to identify any that are damaged, expired or soon-to-be expired pursuant to our protocols, which are disposed of or for which provisions are made. See "Financial Information — Discussion of Major Balance Sheet Items — Inventories" for details. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortage in supply or overstock of inventory.

All deliveries to our customers are fulfilled by third-party logistics providers. To ensure smooth and reliable delivery, we evaluate the third-party logistics providers based on their performance and compliance with our requirements, including qualifications, delivery capacity including their ownership of delivery vehicles, and real-time tracking capabilities. These providers typically bear the risk of damage or loss. We have not experienced any stockouts due to insufficient warehousing or delivery capacity. For inbound logistics, our suppliers independently arrange delivery to our warehouses, and bear the freight charges and in-transit risks.

QUALITY CONTROL

Quality control is integral to every aspect of our daily operations. We are dedicated to ensuring exceptional product and service quality. To achieve this, we have attained several international certifications, including ISO 9001, which focuses on quality management systems to meet customer needs and drive continuous improvement. We also hold ISO 14001 certification for environmental management, demonstrating our commitment to minimizing our environmental impact and promoting sustainability. Additionally, we are certified under ISO 45001 for occupational health and safety, ensuring the well-being of our employees, and under ISO 27001 for information security safeguards. We have also leveraged MES to monitor and promptly identify and address defects and equipment malfunctions with traceable production data. Any identified issues undergo thorough root cause analysis and corrective action, enabling us to ensure continuous improvement.

To uphold the highest standards of quality, we have established a dedicated quality center responsible for overseeing product and service quality. Our quality control system compasses the entire lifecycle of our operations, from product design and development, sourcing and procurement of raw materials, parts and components, production, packaging, inventory storage, to delivery and after-sales services. During the production process, we have set up quality control checkpoints throughout, covering incoming quality control, in-process quality control and outgoing quality control. Staffed by professionals with diverse backgrounds and extensive industry experience, our quality center supports quality management across various domains. We also prioritize the ongoing development of our quality control personnel through regular training, ensuring that relevant staff hold certifications mandated by national authorities.

We generally offer a product warranty ranging from one to two years, with the flexibility to extend it up to five years for large-scale projects based on profitability assessments. For extended warranty periods, we implement enhanced maintenance plans in light of the expected increase in failure rates of electronic products after two to three years of use. Our after-sales process involves on-site replacement of faulty parts and monthly centralized analysis of returned components to monitor defect rates. If the repair or replacement rate of a product reaches 3% to 4% within a year, we initiate immediate quality review and rectification measures to address any underlying issues. We generally are responsible for post-installation performance and provide ongoing repair services to ensure functionality. While we remain contractually liable for customer-facing repairs, we may seek recourse from suppliers in cases involving component-level defects.

We have also established internal procedures for handling customer complaints. As a result of our commitment to quality control and assurance, we did not experience any material product returns or receive any material product quality complaints or claims during the Track Record Period and up to the Latest Practicable Date.

CUSTOMERS AND SUPPLIERS

Customers

We have developed and delivered our products and services to parking asset owners and operators across various scenarios, which primarily include real estate developers, property management companies and parking facility management companies. Our success largely hinges on our ability to attract and retain a diverse customer base. In 2023, 2024 and 2025, we served an aggregate of 22,497, 26,616 and 30,644 parking facilities, respectively, with a total of over 41,000 parking facilities during the Track Record Period.

The following table sets forth a breakdown of our revenue by customer type.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Construction contractors	304,663	41.3	262,913	32.9	267,367	32.2
Property management companies	120,958	16.4	183,614	23.0	154,913	18.7
Commercial management companies	78,661	10.7	87,342	10.9	106,662	12.8
Parking management companies	41,155	5.6	44,945	5.6	56,078	6.8
Real estate companies	61,158	8.3	57,878	7.2	50,077	6.0
Individuals and individual businesses	49,118	6.7	64,461	8.1	104,059	12.5
Public sector customers	33,889	4.6	37,659	4.7	34,882	4.2
Others	48,413	6.6	60,699	7.6	56,577	6.8
Total	**738,015**	**100.0**	**799,511**	**100.0**	**830,615**	**100.0**

Customers may purchase one or more of our smart parking offerings simultaneously, depending on their operational needs. For example, a parking facility may purchase smart parking systems while also engaging us to provide smart parking management services including remote cloud-based kiosk agent services, or collaborating with us under parking voucher or off-peak usage models. Each parking facility we served is assigned a unique parking facility ID in the system. A parking facility is counted as receiving multiple of our offerings if its ID appears in more than one of the three main business lines in our system. Approximately 40% of the parking facilities we served during the Track Record Period utilized more than one of our three business lines of smart parking offerings, demonstrating our capabilities in cross-selling multiple products and services and deepening customer engagement. In 2023, 2024 and 2025, 14,940, 18,122 and 20,675 parking facilities utilized our products and/or services from only one of our three business lines, with a total of 24,819 such parking facilities during the Track Record Period. The number of parking facilities that utilized our products and/or services from only one of our three business lines is calculated by subtracting the number of parking facilities receiving multiple of our offerings from the total number of parking facilities we served.

During the Track Record Period, we maintained a strong base of repeat customers, reflecting the continued demand and satisfaction with our products and services. In 2023, 2024 and 2025, we had 8,706, 11,433 and 14,655 repeat customers, being customers who had made a purchase in a previous year and made a new purchase in the given year, or new customers who made a second purchase within the same given year, and revenue generated from such repeat customers accounted for 70.9%, 67.9% and 75.1% of our total revenue for the same years, respectively. Recurring revenue represents revenue recognized over a period of time, in contrast to revenue recognized at a single point in time. Specifically, our recurring revenue is primarily derived from implementation services, SaaS arrangements and service-type warranty services under our smart parking systems, our smart parking management services, as well as contract operation, charging station collaboration and advertising collaboration under our parking facility and platform operations. Our recurring revenue was RMB386.6 million, RMB470.6 million and RMB512.4 million in 2023, 2024 and 2025, respectively.

In 2023, 2024 and 2025, revenue generated from our top five customers in each year during the Track Record Period accounted for 12.2%, 16.9% and 10.5% of our total revenue, respectively, and revenue generated from our largest customer in each year during the Track Record Period accounted for 4.1%, 6.4% and 3.0% of our total revenue, respectively. The following table sets forth certain information of our top five customers in each year during the Track Record Period.

Customer*	Transaction amount	Percentage of total revenue	Year of commencement of business relationship	Principle business	Products or services purchased
	(RMB in thousands)	*(%)*			
For the year ended December 31, 2023					
Customer A[(1)]	30,329	4.1	2013	Investments in financial insurance, energy transportation, electric power communication, etc., and investment and management of commercial retail enterprises (including chain supermarkets)	Smart parking systems, smart parking management services and parking facility and platform operations
Customer B[(2)]	27,446	3.7	2013	Investment and asset management, securities investment and energy investment	Smart parking systems, smart parking management services and parking facility and platform operations
Customer C[(3)]	17,052	2.3	2013	Development and operations of integrated commercial real estate projects	Smart parking systems, smart parking management services and parking facility and platform operations
Customer D[(4)]	10,002	1.4	2012	Industrial ventures, domestic commerce and material supply, import and export business, and real estate development	Smart parking systems, smart parking management services and parking facility and platform operations
Customer E[(5)]	5,348	0.7	2020	Construction engineering, food sales, catering services, internet food sales, installation services for general mechanical equipment, and operations and maintenance services for information systems	Smart parking systems, smart parking management services and parking facility and platform operations
Total	**90,177**	**12.2**	–	–	–

Customer*	Transaction amount	Percentage of total revenue	Year of commencement of business relationship	Principle business	Products or services purchased
	(RMB in thousands)	*(%)*			
For the year ended December 31, 2024					
Customer F[(6)]	50,846	6.4	2023	Asset management, portfolio management and capital management	Smart parking systems
Customer A	27,821	3.5	2013	Investments in financial insurance, energy transportation, electric power communication, etc., and investment and management of commercial retail enterprises (including chain supermarkets)	Smart parking systems, smart parking management services and parking facility and platform operations
Customer C	23,517	2.9	2013	Development and operations of integrated commercial real estate projects	Smart parking systems, smart parking management services and parking facility and platform operations
Customer B	20,270	2.5	2013	Investment and asset management, securities investment and energy investment	Smart parking systems, smart parking management services and parking facility and platform operations
Customer G[(7)]	12,652	1.6	2022	Basic telecommunications services and value-added telecommunications services	Smart parking systems, smart parking management services and parking facility and platform operations
Total	**135,106**	**16.9**	–	–	–
For the year ended December 31, 2025					
Customer A	24,683	3.0	2013	Investments in financial insurance, energy transportation, electric power communication, etc., and investment and management of commercial retail enterprises (including chain supermarkets)	Smart parking systems, smart parking management services and parking facility and platform operations
Customer C	18,647	2.2	2013	Development and operations of integrated commercial real estate projects	Smart parking systems, smart parking management services and parking facility and platform operations
Customer F	17,905	2.2	2023	Asset management, portfolio management and capital management	Smart parking systems
Customer B	14,126	1.7	2013	Investment and asset management, securities investment and energy investment	Smart parking systems, smart parking management services and parking facility and platform operations
Customer G	11,574	1.4	2022	Basic telecommunications services and value-added telecommunications services	Smart parking systems, smart parking management services and parking facility and platform operations
Total	**86,935**	**10.5**			

* Includes the respective subsidiaries, branch offices and other entities that, to the best of our Directors' knowledge, control, are controlled by or are under common control with our top five customers in each year during the Track Record Period.

(1) Customer A is a state-owned company established in June 2003. Customer A is located in Shenzhen, Guangdong province with a registered capital of RMB16.5 billion.

(2) Customer B is a state-owned company established in September 1989. Customer B is located in Hong Kong.

(3) Customer C is a company established in June 2008 and listed on the Stock Exchange. Customer C is located in Hong Kong.

(4) Customer D is a company established in May 1984 and listed on the Shenzhen Stock Exchange and the Stock Exchange. Customer D is located in Shenzhen, Guangdong province with a registered capital of RMB11.0 billion.

(5) Customer E is a private company established in December 2017. Customer E is located in Chongqing with a registered capital of RMB1.0 million.

(6) Customer F is a private company established in July 2019. Customer F is located in Hong Kong.

(7) Customer G is a state-owned company established in April 2000. Customer G is located in Beijing with a registered capital of RMB225.4 billion.

During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five customers in each year/period of the Track Record Period.

Backlog

Backlog refers to the estimated contract value of work that remains to be completed as of a specific date. The contract value represents the amount that we expect to receive under the terms of the contract, assuming the contract is performed in accordance with its terms. In calculating backlogs, we consider both executed contracts and contracts that have been internally approved following our formalities, pending final execution. Backlog is not a measure defined by generally accepted accounting policies. See "Risk Factors — Risks Relating to Our Business and Industry — Backlog is subject to unexpected adjustments and cancellations and, therefore, may not be indicative of our future results of operations."

The following table sets forth the contract value and expected completion timeframe of contracts in our backlog by business line as of April 30, 2026. For the purpose of measuring completion progress in the relevant tables, the contract value for projects under the contract operation model is determined based on our estimated total revenue over the entire contract period, as derived from revenue already recognized and projected operating performance, rather than the contractual rental fees payable by us to parking facility owners.

	Contract Value	Number of Contracts	Contract Value Completed up to April 30, 2026		Contract Value Expected to be Completed from May 1, 2026 to December 31, 2026		Contract Value Expected to be Completed Subsequent to December 31, 2026	
	Amount	Number	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for number and percentage)							
Smart parking systems	1,868,003	24,148	1,507,633	80.7	169,194	9.1	191,176	10.2
Smart parking management services	756,760	4,379	380,888	50.3	94,809	12.5	281,063	37.1
Parking facility and platform operations	470,821	2,124	206,096	43.8	60,326	12.8	204,398	43.4
Total	**3,095,584**	**30,651**	**2,094,617**	**67.7**	**324,329**	**10.5**	**676,637**	**21.9**

The following table sets forth certain details of our top five completed projects in terms of revenue by business line for the years indicated.

Project/Customer Name	Customer Type	Products/Services Offered	Duration	Contract Value	Revenue	
				Amount	Amount	Percentage
			(months)	*(RMB in thousands)*	*(RMB in thousands)*	*(%)*
Year Ended December 31, 2023						
Smart Parking Systems						
An integrated smart city operation services provider headquartered in Chongqing	Parking facility management company	Sales of hardware products	12	6,960	6,159	1.4
A parking management company headquartered in Beijing	Parking facility management company	Implementation services	24	3,167	2,837	0.6
A technology solutions provider headquartered in Hunan province	Construction contractor	Sales of hardware products	24	2,115	1,849	0.4
A construction engineering company headquartered in Jiangxi province	Construction contractor	Implementation services	24	1,872	1,661	0.4
A real estate development company headquartered in Wenzhou	Real estate company	Sales of hardware products	24	1,714	1,512	0.3
Smart Parking Management Services						
A parking facility located at a building in an industrial park in Nanjing	Parking facility management company	Smart parking management services	60	1,200	208	0.1
A parking facility located at a media center in Changzhou	Others	Smart parking management services	60	990	190	0.1
A parking facility located at an apartment and office building in Ganzhou	Construction contractor	Smart parking management services	72	2,376	156	0.1
A parking facility located at a commercial complex in Xiamen	Commercial management company	Smart parking management services	60	735	114	0.1
A parking facility located at an office building in Shenyang	Property management company	Smart parking management services	50, 60[(1)]	623	96	0.1
Parking Facility and Platform Operations						
A parking facility developed under an industrial development project in Beijing	Vehicle owners and drivers	Parking services	180	N/A	4,272	4.4
An e-commerce and operator benefits collaboration project involving digital rewards and related services	EV charging infrastructure provider	Other services	12	2,128	1,839	1.9
An advertising campaign	Telecom digital solutions provider	Other services	14	1,361	1,142	1.2

Project/Customer Name	Customer Type	Products/Services Offered	Duration	Contract Value	Revenue	
				Amount	Amount	Percentage
			(months)	(RMB in thousands)	(RMB in thousands)	(%)
An online advertising campaign	Electric vehicle manufacturer	Other services	12	1,548	733	0.8
An advertising campaign	Digital healthcare platform	Other services	10	505	476	0.5
Year Ended December 31, 2024						
Smart Parking Systems						
An urban operation and management services provider headquartered in Zhangpu	Construction contractor	Implementation services	60	5,073	4,022	0.8
A property management company headquartered in Beijing	Property management company	Implementation services	24	3,952	3,274	0.7
A technology company specializing in smart systems and services headquartered in Chongqing	Construction contractor	Sales of hardware products	12	3,067	2,706	0.6
A smart technology solutions provider headquartered in Shanghai	Construction contractor	Implementation services	12	3,585	2,335	0.5
A real estate development and investment company headquartered in Shanghai	Real estate company	Implementation services	24	1,954	1,739	0.4
Smart Parking Management Services						
A parking facility located at a commodity expo market in Wuhu	Property management company	Smart parking management services	37	1,030	254	0.1
A parking facility located at an agricultural products wholesale market in Sanya	Others	Smart parking management services	62	1,394	216	0.1
A parking facility located at a home furnishings store in Xi'an	Parking facility management company	Smart parking management services	66	792	134	0.1
A parking facility located at a residential community in Suzhou	Construction contractor	Smart parking management services	36	500	127	0.1
A parking facility located at a mixed-use commercial complex in Shijiazhuang	Commercial management company	Smart parking management services	64	720	115	0.1
Parking Facility and Platform Operations						
A parking facility located at a mixed-use commercial complex in Hangzhou	Others	Other services	24	35,000	4,103	4.2
A parking facility located at a commercial complex in Xiamen	Real estate company	Other services	24	18,000	2,395	2.5
A parking facility located at a shopping and office complex in Fuzhou	Real estate company	Other services	24	15,500	1,355	1.4

Project/Customer Name	Customer Type	Products/Services Offered	Duration	Contract Value Amount	Revenue Amount	Revenue Percentage
			(months)	*(RMB in thousands)*	*(RMB in thousands)*	*(%)*
Three parking facilities located at different sites within a commercial plaza complex in Xinxiang .	Real estate company	Other services	24	9,500	1,247	1.3
A parking facility located at a commercial complex in Zhenjiang	Real estate company	Other services	24	7,500	862	0.9
Year Ended December 31, 2025						
Smart Parking Systems						
An urban operation and management services provider headquartered in Zhangpu	Construction contractor	Implementation services	60	5,992	4,400	0.9
A real estate development and operations company headquartered in Shanghai	Construction contractor	Sales of hardware products	24	1,796	1,581	0.3
An information engineering services provider headquartered in Jiangsu province.	Construction contractor	Sales of hardware products	48	2,050	1,510	0.3
A commercial complex operation and tenant management services provider headquartered in Hefei	Commercial management company	Sales of hardware products	24	1,683	1,476	0.3
A branch entity of a commercial property management, facility maintenance and operational services provider headquartered in Zhongshan. . .	Property management company	Implementation services	24	1,624	1,447	0.3
Smart Parking Management Services						
A parking facility located at a local government authority in Xiamen	Others	Smart parking management services	12	2,079	1,339	0.8
An on-street parking project in Yuzhong district, Chongqing	Parking facility management company	Smart parking management services	12	1,727	830	0.5
An on-street parking project in Nan'an district, Chongqing	Construction contractor	Smart parking management services	3	400	377	0.2
A parking facility located at a commercial complex in Hohhot.	Parking facility management company	Smart parking management services	60	2,000	229	0.1
A parking facility situated in a village in Zhejiang province.	Parking facility management company	Smart parking management services	72	2,592	204	0.1
Parking Facility and Platform Operations						
An offline advertising placement campaign.	Others	Other services	12	1,260	1,189	0.7
A parking facility located at a zoo in Nanchang . . .	Vehicle owners and drivers	Parking services	36	4,233	1,026	0.6

Project/Customer Name	Customer Type	Products/Services Offered	Duration	Contract Value	Revenue	
				Amount	Amount	Percentage
			(months)	*(RMB in thousands)*	*(RMB in thousands)*	*(%)*
A parking facility located at a commercial pedestrian street in Shaoguan	Others	Other services	24	6,579	972	0.6
A parking facility located at a commercial complex in Qingdao	Commercial management company	Other services	24	7,800	700	0.4
An offline advertising placement campaign	Others	Other services	2	735	693	0.4

The following table sets forth certain details of our top five ongoing projects in terms of contract value by business line as of April 30, 2026.

Project/Customer Name	Customer Type	Products/Services Offered	Duration	Contract Value	Contract Value Completed	
				Amount	Amount	Percentage
			(months)	*(in thousands)*	*(RMB in thousands)*	*(%)*
Smart Parking Systems						
A real estate development and investment company headquartered in Hong Kong	Real estate company	Implementation services(2)/ SaaS arrangement	12	HK$56,058	49,921	89.1
A real estate development and investment company headquartered in Hong Kong	Real estate company	Service-type warranty services	54	HK$27,461	11,202	40.8
A real estate development and investment company headquartered in Hong Kong	Real estate company	Service-type warranty services	42	HK$19,101	1,922	10.1
An urban operation and management services provider headquartered in Zhangpu	Construction contractor	Implementation services(2)/SaaS arrangement/Service-type warranty services	60	RMB5,992	4,972	83.0
An information technology solution provider based in Chengdu	Construction contractor	Implementation services(2)/SaaS arrangement/Service-type warranty services	60	RMB5,330	—	—
Smart Parking Management Services						
Multiple parking facilities located at a scenic area in Hangzhou	Park and scenic area management authority	Smart parking management services	68–110(1)	RMB6,658	4,891	73.5
A parking facility located at a hospital in Xiamen	Hospital	Smart parking management services	60	RMB2,762	136	4.9
A parking facility located at an exhibition center in Shanghai	Property management company	Smart parking management services	60	RMB2,581	44	1.7

Project/Customer Name	Customer Type	Products/Services Offered	Duration	Contract Value	Contract Value Completed	
				Amount	Amount	Percentage
			(months)	*(in thousands)*	*(RMB in thousands)*	*(%)*
A parking facility located at a commercial complex in Changchun	Property management company	Smart parking management services	72, 84[1]	RMB2,286	703	30.8
A parking facility located at a mixed-use commercial complex in Shanghai	Commercial management company	Smart parking management services	72	RMB1,890	210	11.1
Parking Facility and Platform Operations						
A parking facility located at a commercial complex in Tianjin	Vehicle owners and drivers	Parking services	156	RMB55,780	28,716	51.5
A parking facility located at an office park in Shenzhen	Construction contractor	Others services	48	RMB33,655	3,531	10.5
A parking facility located at a commercial complex in Zhengzhou	Others	Other services	84	RMB30,548	10,955	35.9
A parking facility located at a commercial complex in Shanghai	Vehicle owners and drivers	Parking services	60	RMB26,672	1,315	4.9
A parking facility located at a commercial complex in Beijing	Commercial management company	Other services	120	RMB11,467	1,653	14.4

(1) For certain parking facilities, there may be supplemental agreements, renewals, or contract splits, resulting in different contract durations for the same parking facility.

(2) Sales of hardware/implementation services for export do not provide for a contract duration, as there is no warranty period, whereas those for domestic transactions are subject to a contract duration corresponding to the warranty period.

During the Track Record Period, the typical project cycle of our smart parking systems was between one to 12 months, depending upon our responsibilities involved. For example, projects for which we are responsible for construction and system commissioning in addition to product delivery, the project cycle was usually longer, sometimes extending to two years or more. The typical sales cycle of our projects ranged from one to four months, while larger-scale or nationwide procurement projects could take between four to 12 months, or even up to one to three years in certain cases, as we participated in negotiations during the early stages of the projects, such as project initiation and approval stage by our customers at the group level and the land construction stage.

During the Track Record Period and up to the Latest Practicable Date, there were no loss-making contracts that had a material adverse effect on our business and operations. We had experienced early terminations of smart parking management service agreements or contract operation agreements primarily due to (1) changes in local policies, such as the regulatory authorities issuing new parking management policies that canceled the charging practices of parking facilities and converted them into free ones, and (2) changes in operational rights of parking facilities, for example, the replacement of property management companies in residential communities. Additionally, early terminations might occur when the actual operating results failed to meet expected performance benchmarks or generated anticipated returns, prompting us to adjust or discontinue the relevant agreements in a timely manner. The contract amount corresponding to unfulfilled service obligations under the smart parking management service agreements that were terminated during the Track Record Period amounted to approximately RMB59.4 million. We early terminated 18 contract operation agreements, with remaining terms ranging from one to 10 years. None of these agreements were individually material to our business and operations.

Suppliers

Our suppliers primarily include providers of hardware components and other raw materials used in the production of our smart parking hardware products, and contract construction and contract manufacturing services. We have enacted supply management policy and procedures to maintain effective control of our suppliers and the quality, costs and delivery process of our supplies. We adopt a rigorous supplier selection process to evaluate their business qualifications, capacity, supply quality and pricing, among others. In particular, for suppliers of hardware components and other raw materials, our selection criteria generally cover (1) the functionalities and quality of their supplies to meet the requirements of our offerings, and (2) their technological expertise and reputation. When selecting contract manufacturing partners, we primarily consider production capacity, quality control, delivery capability, and process level. We also generally require the potential suppliers to pass our preliminary sampling tests as well as our preliminary on-site inspection. Our procurement department will then purchase from eligible suppliers in accordance with our procurement plans and procedures. We also regularly evaluate the performance of our suppliers to ensure their continuing compliance with our standards, taking into consideration the nature of supplies involved, ability to meet scheduled delivery timelines, multifaceted quality performance metrics, R&D and technical support capabilities and their commercial terms with us.

In 2023, 2024 and 2025, purchase from our top five suppliers in each year during the Track Record Period accounted for 17.3%, 15.9% and 17.4% of our total cost of sales, respectively, and purchase from our largest supplier in each year during the Track Record Period accounted for 7.3%, 6.4% and 5.4% of our total cost of sales, respectively. The following table sets forth certain information of our top five suppliers in each year during the Track Record Period.

Supplier	Transaction amount	Percentage of total cost of sales	Year of commencement of business relationship	Principle business	Products or services procured
	(RMB in thousands)	*(%)*			
For the year ended December 31, 2023					
Supplier A[(1)]	28,787	7.3	2014	Manufacturing of metal products and machining of mechanical parts	Materials supply and contract manufacturing services
Supplier B[(2)]	11,235	2.8	2020	R&D, production and sales of electromechanical control systems and related software products	Materials supply
Supplier C[(3)]	9,682	2.4	2022	Technical development of computer software and hardware, electronic products, and development and sales of electronic smart products	Materials supply
Supplier D[(4)]	9,434	2.4	2021	Development, design, production and sales of computer software and hardware, system integration services, and sales and leasing of in-house network equipment	Technical services
Supplier E[(5)]	9,116	2.3	2017	Manufacturing of electronic light sources, illumination lamps, lamp electrical accessories, as well as other lighting equipment	Materials supply and contract manufacturing services
Total	**68,254**	**17.3**	–	–	–
For the year ended December 31, 2024					
Supplier A	27,855	6.4	2014	Manufacturing of metal products and machining of mechanical parts	Materials supply and contract manufacturing services
Supplier D	11,323	2.6	2021	Development, design, production and sales of computer software and hardware, system integration services, and sales and leasing of in-house network equipment	Technical services
Supplier B	10,732	2.5	2020	R&D, production and sales of electromechanical control systems and related software products	Materials supply
Supplier E	9,558	2.2	2017	Manufacturing of electronic light sources, illumination lamps, lamp electrical accessories, as well as other lighting equipment	Materials supply and contract manufacturing services
Supplier F[(6)]	9,269	2.1	2023	Occupational intermediary activities, and construction labor subcontracting	Outsourcing services
Total	**68,737**	**15.9**	–	–	–
For the year ended December 31, 2025					
Supplier A	23,864	5.4	2014	Manufacturing of metal products and machining of mechanical parts	Materials supply and contract manufacturing services
Supplier G[(7)]	21,935	4.9	2025	Business operations, air transportation, catering services, etc.	Property leasing services
Supplier D	12,495	2.8	2021	Development, design, production and sales of computer software and hardware, system integration services, and sales and leasing of in-house network equipment	Technical services
Supplier B	10,995	2.5	2020	R&D, production and sales of electromechanical control systems and related software products	Materials supply
Supplier H[(8)]	8,101	1.8	2022	Cloud computing and IT-related services	Technical services
Total	**77,390**	**17.4**			

(1) Supplier A is a private company established in September 2012. Supplier A is located in Xiamen, Fujian province with a registered capital of RMB10.1 million.

(2) Supplier B is a private company established in January 2004. Supplier B is located in Xiamen, Fujian Province with a registered capital of RMB10.0 million, and refers to one or more entities that, to the best of our Directors' knowledge, are under common control with Supplier B.

(3) Supplier C is a private company established in March 2004. Supplier C is located in Shenzhen, Guangdong province with a registered capital of RMB1.5 million.

(4) Supplier D is a private company established in May 2004. Supplier D is located in Xiamen, Fujian province.

(5) Supplier E is a private company established in September 2007. Supplier E is located in Xiamen, Fujian province with a registered capital of RMB2.0 million.

(6) Supplier F is a private company established in January 2020. Supplier F is located in Chongqing with a registered capital of RMB2.0 million.

(7) Supplier G is a a state-owned company established in July 1993. Supplier G is located in Changchun, Jilin province with a registered capital of RMB7.0 billion.

(8) Supplier H is a private company established in December 2019. Supplier H is located in Guiyang, Guizhou province with a registered capital of RMB5.0 billion.

During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five suppliers in each year/period of the Track Record Period. Our Directors confirmed that none of our major customers was also our major suppliers during the Track Record Period.

The salient terms of our agreements with suppliers are set forth as follows:

- *Delivery and acceptance*. Suppliers are required to deliver the products to our designated warehouses or project sites by the agreed deadlines. We reserve the right to inspect the goods upon delivery, and acceptance is subject to verification of quantity, quality and conformity with agreed specifications. Any non-conforming goods may be rejected or returned at the supplier's cost.

- *Pricing and payment*. The purchase price is agreed on a per-order basis and set out in the relevant purchase order or annex. Payments are typically made in instalments, with a portion payable after delivery and final payment upon acceptance. Invoices must be issued in accordance with our internal procedures and relevant tax regulations.

- *Warranty and after-sales support*. Suppliers generally provide warranty coverage for a period ranging from 12 to 24 months. During the warranty period, suppliers are obligated to repair or replace defective products free of charge. In case of recurring defects, we may claim liquidated damages or other contractual remedies.

- *Intellectual property and confidentiality*. Suppliers are prohibited from infringing third-party intellectual property rights and must indemnify us against any such claims. They are also required to maintain the confidentiality of any proprietary information obtained during our course of the cooperation.

- *Termination*. We are entitled to terminate the agreement upon material breach or delivery delays caused by the supplier. In such cases, the supplier may be held liable for the losses incurred.

DATA PRIVACY AND SECURITY

We view data privacy and security of paramount importance to our brand and reputation, and to our customers' confidence in our solutions. We have access to certain information about our customers and parking facility users in the course of our daily business operations. During the contract signing process, we collect basic information from customers, including the customer's name, its legal representative's name, contact phone number, mailing address, bank account information, and other relevant data. We obtain the necessary authorization based on the customer's voluntary provision of the relevant data for contract signing purpose. We do not collect any customer data from customers using a localized deployment system during their use. For customers utilizing our cloud-based system, the system collects basic information about the customer and its system operation personnel, as well as device information and operational records based on the corresponding service purposes. This includes data such as phone number, IP address, browser type, language used, operating system version, access date and time, network request, device model, device MAC address, photos taken by the device and operating records of the parking facility. We obtain the necessary authorization pursuant to the contract entered into with the customer. For purposes such as parking fee payments or gaining access through the pedestrian management systems, end users, including vehicle owners, drivers, and visitors, will use our *Speed Parking* and other mini-program. During their use, we collect data provided by vehicle owners and drivers, including device information, location information, vehicle information, phone number, name, and payment records. We also collect data from visitors, including device information, location information, phone number, name, facial information, access request information, and access records. Visitor data will be transmitted to the customer for processing after collection. We obtain the necessary authorization based on presenting relevant privacy policies to end users and obtaining their consent.

We have designed and implemented policies and procedures covering every aspect of our day-to-day business operations. For example, we have a data and information security management system for all employees, covering aspects such as information system access control, data storage and backup, physical data security, and data classification and desensitization. We have also put in place a software center data security management policy to ensure effective management and monitoring of all data generated and/or collected during our operations. In particular, pursuant to our internal policies, our employees shall observe specific requirements for accessing, using and configuring our servers, network and databases, and refrain from unauthorized conducts that may jeopardize or burden our information system and infrastructure. Our employees shall comply with relevant laws and regulations on data privacy and security, and shall not access, use or disclose the data of our customers or those users unless per their requests or required by laws or regulations. We also have stringent authorization and authentication procedures in place, pursuant to which our employees only have access to the minimum level of data that are required to fulfill their roles.

We employ a variety of technical measures to prevent and detect risks and vulnerabilities regarding data privacy and security. For example, we apply tailored security measures based on the sensitivity levels of data, including masking, encryption and access control measures. To ensure privacy and data integrity during transmission, we also utilize hypertext transfer protocol secure (HTTPS) and encrypt data packets with secure sockets layer (SSL) or transport layer security (TLS), both of which are cryptographic protocols designed to secure communications over the network. In addition, we maintain data access and operation logs that record all processing activities in relation to our data, conduct aggregated analysis of user activity logs and perform real-time risk assessments to identify and interrupt high-risk activities while alerting operational personnel. Furthermore, we have established a backup and emergency response mechanism to ensure our disaster tolerance in the event of accidents such as security attacks.

We have established an information security leadership group and an information security working group, responsible for the decision-making and coordination of major issues related to corporate network and information security. They oversee the promotion of information security management related work and achieve cross-departmental collaboration. We have set up an information and data security department, which is responsible for implementing specific information security tasks, including the overall establishment of our data and information security policies and procedures. They will also coordinate our emergency response in the event of information security incidents.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material data or personal information leakage or loss, infringement of data or personal information, or information security incident. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any litigation or dispute related to data security and personal information protection, nor had we been subject to or involved in any investigation or penalty by relevant competent regulatory authorities in this regard, that had a material adverse effect on our business, results of operations or financial condition. AllBright Law Office, our legal advisors as to PRC cybersecurity and data privacy protection laws, are of the opinion that, during the Track Record Period and up to the Latest Practicable Date, we had complied with PRC laws and regulations on cybersecurity, data security and personal information protection in all material respects.

According to the Cybersecurity Review Measures (網絡安全審查辦法), enterprises shall apply for cybersecurity review under certain circumstances. See "Regulatory Overview — Regulations on Internet Information Security and Privacy Protection — Regulations relating to Internet Information Security." During the Track Record Period and up to the Latest Practicable Date, we had not been notified by any authority of being classified as a CIIO, nor had we been involved in any investigation on cybersecurity review made by the CAC, and we have not received any inquiry, notice, warning, or sanctions in this respect. AllBright Law Office, our legal advisors as to PRC cybersecurity and data privacy protection laws, have advised us that a listing in Hong Kong does not fall within the definition of "foreign listing" under the Cybersecurity Review Measures. Therefore, our legal advisors as to PRC cybersecurity and data privacy protection laws are of the view that we are not required to file an application for cybersecurity review in connection with the Listing under the Cybersecurity Review Measures.

The Security Assessment Measures for Outbound Data Transfers (數據出境安全評估辦法) (the "Security Assessment Measures") require that any data processor that processes or exports personal information exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any personal information outbound. The security assessment requirement also applies to any transfer of important data outside of China. During the Track Record Period and up to the Latest Practicable Date, we had not carried out any transmission activities involving the provision of personal information or important data from within the PRC to overseas parties during our daily operations. Specifically, all data collected in domestic operations are stored within mainland China and we do not provide such customer data to overseas parties. For overseas customers, we generally do not collect or process related customer data and no cross-border data transmission is involved. Relevant operational data, such as system logs, may be transmitted across borders on a limited and as-needed basis for us to perform system commissioning or technical troubleshooting. Such data transmission is subject to applicable data protection and privacy laws and regulations in the relevant jurisdictions, and we have implemented internal data policies and obtained relevant customer authorizations to govern such data activities and address applicable data protection and privacy requirements.

COMPETITION

China's smart parking space operation industry is relatively fragmented. We face competition from other integrated smart parking space operators of different sizes and business modes, as well as providers of individual smart parking products and/or services. Moreover, the industry competition may continue to intensify along with the evolving technologies and customer needs, as well as the changing market landscape in terms of the types and number of competitors and degree of market adoption. The principal factors driving the competition in our industry include the functionalities and performance of our solutions, technological and R&D capabilities, accumulated industry expertise and know-how, pricing and ability to maintain and grow relationships with customers. We believe that we are well-positioned to compete effectively based on the foregoing factors. However, we operate in a competitive industry, and failure to compete effectively could adversely and materially affect our market share, business, results of operations and financial condition.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

A transaction is generally deemed to involve a third-party payment arrangement by us where the contractual counterparty differs from the paying entity. In 2023, 2024 and 2025, a total of 1,550, 1,823 and 1,452 customers (the "Relevant Customers") settled their payments with us through third-party payors designated by them, respectively, with payments received from third-party payors of RMB30.8 million, RMB34.0 million and RMB25.8 million, accounting for 4.2%, 4.3% and 3.1% of our total revenue for the same years, respectively. The increases from 2023 to 2024 were primarily attributed to (1) the increased sales of smart parking systems that provide for payment in installments, which typically involved small-sized customers with relatively limited budgets and purchasing power who therefore tend to use personal bank accounts due to the cumbersomeness of using corporate bank accounts, (2) an increase in contracts for ongoing operations and maintenance, where the Relevant Customers may pay us through their affiliates, and (3) the payments of overdue balances by the legal representatives or affiliates of Relevant Customers as a result of our enhanced collection efforts.

During the Track Record Period and up to the Latest Practicable Date, we had not proactively initiated any of the third-party payment arrangements. Furthermore, during the Track Record Period and up to the Latest Practicable Date, we had not provided any discounts, commissions, rebates or other benefits to any of the Relevant Customers or the third-party payors to facilitate or incentivize the third-party payment arrangements, and the pricing, payment and other major terms of the agreements we entered into with the Relevant Customers were in line with other customers not involved in the third-party payment arrangements. Our Directors also confirm that, during the Track Record Period and up to the Latest Practicable Date, all payments received under the third-party payment arrangements were appropriately recorded following accounting procedures and policies. Based on the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the Directors' views above in relation to the Group's records on payments received under the third-party payment arrangements in any material respect.

The third parties designated by the Relevant Customers primarily consisted of (1) entities affiliated with the Relevant Customers, and (2) individual third-party payors, such as the directors, legal representatives and employees of the Relevant Customers. Our Directors have confirmed that none of the designated third parties who settled their third-party payments as instructed by the Relevant Customers during the Track Record Period and up to the Latest Practicable Date is a connected person of our Group, and such designated third parties are independent from our Group and each of our Directors, senior management and Shareholders.

Reasons for Utilizing Third-party Payment Arrangements

To the best of our knowledge, information and belief, the use of the third-party payment arrangements by the Relevant Customers is primarily due to the following reasons:

(1) for entities affiliated with the Relevant Customers, they are arranged to pay on behalf of the Relevant Customers for internal fund allocation and management purposes; and

(2) for individual third-party payors, such as the directors, legal representatives and employees of the Relevant Customers, as such persons mainly operate their businesses on a small scale with relatively small transaction amounts, they tend to use personal accounts for easier, faster and more convenient settlements.

According to China Insights Consultancy, it is a common practice in the smart parking space operation industry in China for customers to settle payments through third-party payors to smart parking space operators, primarily because (1) for large-enterprise customers who own and operate their affiliated parking facilities, such as real estate developers, it is common for them to settle payments through their affiliated entities as a result of their liquidity and internal fund allocation needs; (2) many small-sized customers typically prefer to use personal bank accounts of directors, legal representatives, shareholders or employees for convenience due to the cumbersomeness of using corporate bank accounts; and (3) among the top ten smart parking space operators in China in terms of revenue in 2024, there exist similar third-party payment arrangements in their past or current operations.

Our Directors are of the view that the third-party payment arrangements are lawful and conducted for genuine commercial purposes, and do not involve fabricated transactions, tax evasion, money laundering or other illegal activities, considering that, during the Track Record Period and up to the Latest Practicable Date, (1) the third-party payment arrangements were supported by genuine transactions, (2) the confirmations have been obtained from the Relevant Customers and their designated third-party payors affirming the legitimacy of the source and purpose of funds used in the third-party payment arrangements, among others, (3) financial institutions that processed the payments in China are required to conduct anti-money laundering checks on all their clients according to the Anti-Money Laundering Law of the PRC (中華人民共和國反洗錢法), significantly reducing the associated risks, (4) we have no intention or knowledge that any of such third-party payments were to cover up or conceal the proceeds of any drug-related offense, organized offense of gangland nature, offense of terrorism, offense of smuggling, offense of corruption or bribery, offense of disrupting the financial management order or offense of financial fraud, as well as the source and nature of such proceeds generated therefrom, and (5) our Group had not been subject to any investigations, disputes or administrative penalties by the relevant government authorities, nor had we been involved in any disputes with the parties relating to the third-party arrangements. Base on the foregoing, as advised by our PRC Legal Advisors, that (1) such third-party payment arrangements do not violate the mandatory provisions of PRC laws, (2) the risk of the third-party payment arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (中華人民共和國刑法) for the purpose of covering up or concealing the source and nature of proceeds or gains is low, (3) as to the transactions in which our Group already fulfilled all our obligations and the counterparties have not expressly rejected, and where the third-party payment arrangements are confirmed by the relevant parties, the risks for transactions relating to the third-party payment being deemed as fabricated transactions is low, and (4) the risk of our Company being subject to administrative penalties for violation of laws and regulations related to tax evasion under the third-party payment arrangements is low.

Based on the independent due diligence work conducted by the Joint Sponsors and having considered the views of the PRC Legal Advisors above, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the Directors' views above in relation to the legality of the third-party payment arrangements in any material respect.

Internal Control Measures

Regarding the third party-payment arrangements during the Track Record Period, we generally have sought to enter into entrusted payment agreements with the third-party payors or tri-party payment agreements with the payors together with our customers for such transactions, and/or requested the Relevant Customers and their designated third-party payors to provide confirmations on the following points, among others: (1) the Relevant Customers have delegated their payment obligations under the terms of the original agreements with our Group to their respective designated third-party payors, which undertake to pay the transaction amounts directly to our Group under the same terms; (2) our Group is entitled to seek payments from the Relevant Customers in the event that the designated third-party payors fail to perform the payment obligations in full or in part; (3) our Group has not been involved in any risks or disputes, nor subject to any investigations or penalties, arising from third-party payment arrangements, and the funds involved are from legitimate sources and are not used for illegal purposes;

and (4) the third-party payors, including their respective affiliates, are independent from our Group and each of our Directors, senior management and Shareholders. In April 2025, we had implemented rectification measures for the third-party payment arrangements by requiring all involved parties, including the Relevant Customers and the designated third-party payors to enter into written tri-party payment agreements with us. As of the Latest Practicable Date, we had entered into tri-party payment agreements with certain of our Relevant Customers and their designated third-party payors that, among others, outline their relationship and the payment obligations, and confirm that the source of funding for these payments is legal and does not involve any money laundering activities or otherwise contravene applicable laws and regulations.

Although the rectification measures have been implemented and we have consistently worked to enter into tri-party payment agreements with all involved parties, some failed to cooperate due to various practical constraints. Specifically, 1,038, 1,158 and 747 Relevant Customers in 2023, 2024 and 2025, respectively, have not entered into tri-party agreements nor provided written confirmations as of the Latest Practicable Date, which in aggregate accounted for 46.1%, 33.1% and 27.0% of the total third-party payment amounts in the same years, respectively. The decreasing proportion of third-party payments without supporting agreements or confirmations, together with the overall decrease in the third-party payment amounts, reflects our continued efforts to standardize such arrangements and enhance internal controls. The practical constraints primarily arose from circumstances where (1) customer accounts are subject to government administration and payments are required to be made through designated government accounts, (2) certain large customers such as real estate developers made payments under centralized payment arrangements through entities within the same group, in accordance with their internal policies and prevailing industry practices, (3) certain customers such as construction contractors engaged us to construct parking facilities and install smart parking systems for the use of parking facility owners or operators, who made payments directly to us but declined to provide confirmation letters or agreements, and (4) certain customers involving small-value or legacy contracts without ongoing business cooperation declined to provide such documentation.

In April 2025, we had also implemented enhanced internal control measures to safeguard our interests and reduce potential risk associated with third-party payment arrangements, including, among other things:

(1) during our ordinary course of business, we communicate and require our customers to settle the relevant amounts with us directly and not engage in third-party payments;

(2) for customers who are unable to directly settlement payments with us, we require that such customers must (i) communicate relevant information to us, including, among others, the identity and bank account information of the involved third-party payors, and provide proofs for their affiliations with such payors; (ii) obtain the approval of our finance department; and (iii) enter into a tri-party payment agreement together with us and the third-party payors;

(3) before accepting any third-party payments, we are required to verify the payment information against our internal record to ensure that such payments are settled through the relevant third-party payor's account as identified in the relevant tri-party payment agreement, and to conduct blacklist screening of third-party payors;

(4) if a tri-party payment agreement could not be entered instantly, we implement additional stringent internal procedures to determine whether to retain or reject such third-party payments. These procedures include setting submission deadlines for tri-party payment agreements, and implementing a special approval process at the management level by the heads of our local branch and the finance department with supplementary documentation, such as communication records with the customers and the proofs for their affiliations with such payors, where obtaining a formal agreement is impractical; and

(5) our finance department regularly review all third-party payments to verify the payment information and amounts.

As discussed above, the absence of tri-party payment agreements or written confirmations was primarily attributable to circumstances where (1) the contractual counterparties and the paying entities belong to the same group, and (2) customer accounts are subject to government administration and payments are required to be made through designated government accounts (collectively, the "Permitted Circumstances"), as well as certain other practicable constraints. Going forward, we undertake to enter into tri-party payment agreements with all Relevant Customers and their designated third-party payors, except under the Permitted Circumstances. In all circumstances other than the Permitted Circumstances, if a tri-party payment agreement cannot be entered into, we will cease the relevant transactions upon the Listing. In 2023, 2024 and 2025, a total of 189, 241 and 77 Relevant Customers, respectively, engaged in third-party payment arrangements under the above Permitted Circumstances, involving payments received of RMB9.6 million, RMB10.9 million and RMB3.3 million, respectively, accounting for 1.3%, 1.4% and 0.4% of our total revenue for the same years, respectively.

Under the above Permitted Circumstances, it is not practicable for us to enter into tri-party payment agreements with the Relevant Customers and their designated third-party payors. In particular, in respect of payments made by entities within the same group as the contractual counterparties, it is a prevalent operational practice for real estate developers to use their own form of agreements and settle payments through their designated affiliated entities within the same group pursuant to centralized payment arrangements, according to China Insights Consultancy. Due to the large operational scale and complex organizational structure of such customers, it is impractical to include all their designated affiliated entities as signing parties to the agreements. In respect of payments made through designated government accounts, such arrangements are made pursuant to applicable government administration or regulatory requirements, under which payments must be processed through designated channels over which we have no discretion, with no separate contractual or other documentation between the parties.

Notwithstanding the absence of tri-party payment agreements in the above Permitted Circumstances, the third-party payment arrangements do not affect the substance of the underlying transactions, all of which are genuine commercial transactions actually rendered to and accepted by the Relevant Customers. In particular, for payments made by entities within the same group, such arrangements are made pursuant to centralized payment arrangements for internal fund allocation and management purposes, with clear commercial substance and traceable fund flows. The paying entities are obligated to fulfill the payment obligations under their internal arrangements. For payments through designated government accounts, such payments are mandated on behalf of the customers in settlement of their legally binding contractual obligations. Accordingly, the payments under such circumstances are made in satisfaction of the contractual payment obligations owed to us under the relevant agreements. We are contractually entitled to receive such payments, and such entitlement is not affected by the identity of the paying entities. In addition, during the Track Record Period and up to the Latest Practicable Date, we have not been involved in any disputes or claims with the Relevant Customers or their designated third-party payors in relation to such third-party payment arrangements, nor have we received any requests or claims from any third-party payors for the return of such payments. Accordingly, our PRC Legal Advisors are of the view that such third-party payment arrangements do not affect the validity of the underlying transactions or our rights against the contractual counterparties, and the risk for us to be found obligated to return such payments is remote.

Furthermore, as we have implemented enhanced internal control measures to control, monitor and verify third-party payment arrangements, the associated financial and legal risks can be properly managed without compromising the integrity of our operations. We have also implemented alternative verification procedures for the above Permitted Circumstances where tri-party payment agreements cannot be entered into, including (1) verifying the affiliations between the contractual counterparties and the paying entities through publicly available corporate registry information and other records, (2) conducting follow-up communications with customers through telephone calls and other channels to confirm the underlying payment arrangements and corroborate their affiliations with the designated payors, and (3) performing internal cross-checks of transaction details and payment records, and gathering communication records with customers and the proofs of affiliations, to verify consistency with the underlying commercial arrangements. We believe that the above alternative verification procedures are sufficient to ensure the authenticity and validity of such third-party payment arrangements. Although no irregularities in payments have been identified to date, if any were to arise, we would immediately reject the relevant third-party payments and/or cease the relevant transactions.

We have established a special supervisory team consisting of employees from sales department, finance department and legal department to jointly supervise and monitor the implementation of measures to ensure the effectiveness. The internal control consultant performed a review of the internal control measures as described above on third-party payments and did not have further recommendations. Based on the foregoing, our Directors are of the view that the foregoing internal control measures are effective and adequate in identifying the third-party payors and the source of funding of the relevant payments, and reducing risks associated with third-party payment arrangements. Our Directors will oversee the effectiveness of the afore-mentioned internal control measures going forward. Based on the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the Directors' views above in relation to the adequacy and effectiveness of measures to identify the third-party payors and the source of funding of the relevant payments in any material respect.

Considering that the revenue contribution by third-party payments during the Track Record Period and up to the Latest Practicable Date was immaterial to our business, and that our business continues to grow during the above-mentioned rectification process, we believe that our control of third-party payments will not have a material adverse effect on our business, results of operations, financial condition and prospects.

LICENSES, PERMITS AND APPROVALS

As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits and approvals from relevant government authorities in China that are material to the operation of our existing business. We continually monitor our compliance with the requirements related to licenses, permits and approvals to ensure that we have all licenses, permits and approvals necessary to operate our business, and that all such licenses, permits and approvals remain in full effect.

The following table sets out a list of our material licenses, permits and approvals as of the Latest Practicable Date.

License/Permit/Approval	Holder	Granting authority	Expiry date
High and New Technology Enterprise Certificate (高新技術企業證書).	Our Company	Xiamen Municipal Bureau of Science and Technology, Xiamen Municipal Bureau of Finance, Xiamen Municipal Bureau of Tax Service of State Administration of Taxation	December 1, 2027
High and New Technology Enterprise Certificate	Keytop R&D Center	Xiamen Municipal Bureau of Science and Technology, Xiamen Municipal Bureau of Finance, Xiamen Municipal Bureau of Tax Service of State Administration of Taxation	November 21, 2026

License/Permit/Approval	Holder	Granting authority	Expiry date
China National Compulsory Product Certification Certificate (中國國家強制性產品認證證書) for Vehicle Search Terminal (Self-service Terminal)	Our Company	China Quality Certification Center	August 26, 2026
China National Compulsory Product Certification Certificate for Vehicle Search Terminal (Self-service Terminal)	Our Company	China Quality Certification Center	March 22, 2027
China National Compulsory Product Certification Certificate for Parking Fee Self-service Payment Machine (Wall-mounted) (Self-service Terminal)	Our Company	China Quality Certification Center	August 26, 2026
China National Compulsory Product Certification Certificate for Charging Server	Our Company	China Quality Certification Center	June 25, 2026
Fixed Pollutant Source Emission Registration Receipt (固定污染源排污登記回執)	Our Company	Ministry of Ecology and Environment of the PRC	March 10, 2031
Foreign Trade Operator Registration (對外貿易經營者備案登記)	Our Company	Xiamen Municipal Bureau of Commerce	N/A
Customs Declaration Unit Registration Certificate (報關單位註冊登記證書)	Our Company	Xiamen Customs District of the PRC	N/A
Fixed Pollutant Source Emission Registration Receipt	Jida United Precision Machinery (Xiamen) Co., Ltd. (吉大聯合精密機械(廈門)有限公司)	Ministry of Ecology and Environment of the PRC	April 14, 2031

We closely monitor the validity status of our licenses, permits and approvals, including those expiring in 2026. We have initiated preparatory measures to ensure timely renewal in accordance with applicable laws and regulations. Our PRC Legal Advisors are of the view that, there are no material legal impediments in the renewal process of such licenses, permits and approvals as long as we meet the substantive and procedural requirements stipulated in the relevant PRC laws and regulations.

INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business, and we devote significant time and resources to their development and protection. We rely on a combination of contractual restrictions, confidentiality procedures, and intellectual property registration to establish and protect our proprietary technologies. We have set up an intellectual property department to curate and implement our intellectual property strategies, coordinate related internal trainings and monitor and protect against risks relating to our intellectual properties. We also set up intellectual property review committee to evaluate our intellectual property status regularly.

As of the Latest Practicable Date, we had registered 115 patents, 126 trademarks, 156 software copyrights and 10 copyrights in mainland China. As of the same date, we had also registered seven trademarks in Hong Kong and other countries and regions. For details, see "Statutory and General Information — 2. Further Information about Our Business — B. Our intellectual property rights" in Appendix IV to this prospectus for details.

During the Track Record Period and up to the Latest Practicable Date, we had not identified breaches of our intellectual property rights which, viewed alone or in the aggregate, had a material impact on our business, results of operations or financial condition, nor had we had any material dispute or legal proceeding concerning intellectual property rights with third parties.

EMPLOYEES

Our success depends on our ability to attract, retain and motivate qualified personnel with background and experience in the relevant industries. As of December 31, 2025, we had 1,992 full-time employees, all of which were located in mainland China and Hong Kong. The following table sets forth a breakdown of our full-time employees by function as of December 31, 2025.

	As of December 31, 2025	
Function	**Number of employees**	**% of total**
Management and general administration	246	12.3%
R&D	215	10.8%
Sales and marketing	782	39.3%
Manufacturing	100	5.0%
Technology and operations	649	32.6%
Total	**1,992**	**100.0%**

We recruit our employees through different channels, including online recruitment, job fairs, referrals and recruitment agencies. As part of our human resource strategy, we offer employees competitive salaries, performance-based bonuses and other incentives. We also strive to enhance our talent base and human resource management through organizing systematic training programs and improving our employee performance evaluation system.

As required under PRC labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety and grounds for termination. In addition, we generally enter into standard confidentiality and non-compete agreements with our key employees. In accordance with PRC regulations, we participate in and make contributions to social insurance, including pension, medical, maternity, work-related injury and unemployment, and housing provident fund.

We believe that we maintain a good working relationship with our employees, and we had not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

Labor Dispatch

Pursuant to the Labor Contract Law and the relevant PRC laws and regulations, dispatched workers are only intended to be a supplementary form of employment, the number of which shall not exceed 10% of the employer's total workforce. We have partnered with third-party agencies from time to time to support the management and operations of parking facilities, and some historical outsourcing contracts may, upon a purely textual reading, be regarded as labor dispatch by the relevant labor administrative authorities. In practice. we take clear and definitive steps to delineate between labor dispatch and outsourcing. As advised by our PRC Legal Advisors, outsourcing and labor dispatch have distinct definitions and legal implications under the PRC laws and regulations, and we mainly adopt outsourcing in our business and enter into outsourcing contracts with our suppliers. Based on the foregoing, the number of our dispatched workers has remained below 10% of the total number of our total workforce. If, in the future, the number of our dispatched employees exceeds 10% of our total workforce, we may be ordered by the relevant authorities to rectify within a specified period of time and may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

During the Track Record Period and up to the Latest Practicable Date, we had not received any notice or been subject to any administrative penalties or other disciplinary actions relating to labor dispatch from the relevant government authorities. We have already adjusted the text of our outsourcing contracts to reduce the risk of being recognized as labor dispatch to the extent possible. We have formulated and implemented a plan to contain the number of dispatched workers and stay compliant. Specifically, we limit the use of dispatched workers to temporary, auxiliary, or replacement roles in accordance with applicable regulations, and primarily within parking facility and platform operations projects. Each dispatch request must undergo internal review and approval to ensure regulatory compliance and business necessity. We also only engage licensed labor dispatch agencies and have established internal control procedures to manage dispatch arrangements and monitor legal compliance. We have also established measures to manage outsourced staff in maintaining service quality. We have established stringent selection criteria for outsourced labor service providers, assessing their qualifications, service capabilities and reputation to ensure alignment with our operational needs. We supervise, inspect and conduct monthly evaluations of outsourced staff's work scope and service quality. Where deficiencies are identified, we issue written rectification notices and require the labor service provider to train, adjust or replace the relevant personnel, while reserving the right to pursue contractual remedies. In addition, we require all outsourced employees to complete and pass all necessary safety training before entering the work site. We have also implemented incentive mechanisms for outsourced staff to foster a positive work environment.

PROPERTIES

Our headquarters is located in Xiamen, Fujian province. We own and lease properties in China. As of December 31, 2025, we had no single property with a carrying amount of 15% or more of our consolidated total assets. As of the same date, no single property interest that forms part of our property activities had a carrying amount representing 1% or more of our consolidated total assets, and the total carrying amount of property interests not valued did not exceed 10% of our consolidated total assets. On this basis, we are not required by Rule 5.01A of the Listing Rules to include in this prospectus any valuation report. According to Section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

As of the Latest Practicable Date, we had 37 land use rights and/or owned properties in Xiamen, Fujian province and other cities with an aggregate gross floor area of 68,908.73 square meters, comprising (1) three construction projects in progress and (2) 34 real properties primarily used as our production facilities, office premises and parking facilities. We have obtained title certificates for such land use rights and/or owned properties. The three construction projects consist of (1) a new production facility with a site area of 23,366.60 square meters and (2) two new office buildings with a total site area of 9,112.62 square meters. See "— Production — Expansion Plan" for details.

As of the Latest Practicable Date, we also operated our business through 82 leased properties with an aggregate gross floor area of 28,784.46 square meters, which were primarily used as our office premises and production facilities. Our lease agreements in respect of the above-mentioned leased properties generally had expiration dates ranging from June 2026 to February 2031. As of the date of this prospectus, one lease agreement with an expiration date in June 2026 has been renewed, and we are in the process of renewing the remaining lease agreement expiring in June 2026. We plan to renew our leases or negotiate new terms when the existing leases expire. We did not experience material difficulties in negotiating renewal of our leases with our lessors during the Track Record Period and up to the Latest Practicable Date. We believe that there is sufficient supply of such properties in China and other jurisdictions in which we operate.

Title Defects

As of the Latest Practicable Date, lessors of three of our leased properties primarily used as our office premises with a total gross floor area of approximately 1,134 square meters failed to provide property ownership certificates or other relevant certificates regarding their legal rights to lease such properties.

According to relevant laws and regulations and as confirmed by our PRC Legal Advisors, there are no rules or regulations requiring the lessee to obtain the ownership certificate or imposing regulatory punishment on the lessee for not doing so. Accordingly, our PRC Legal Advisors are of the view that we are not subject to any material administrative penalty for any of the above-mentioned title defects in the leased properties. Moreover, according to relevant PRC laws and regulations, the lessee has the right to claim compensation if the lease agreement is invalid due to the lessor's fault. If our ability to continue leasing such properties is affected by a third-party objection, we may seek indemnity from the lessor in accordance with relevant PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any challenge being made by a third party or government authority on the titles of any of these leased properties that might have a material adverse effect on our current leases.

We believe there is a sufficient reservoir of comparable alternative properties in proximity, and therefore do not expect to incur significant time and cost for identifying alternatives and relocating our operations in the less likely event that we were required to do so. We have developed contingency plans to safeguard our operations against potential risks associated with the title defects. We have prepared and will continuously update a list of backup properties in preparation for any potential relocation upon expiry of or disruption to the existing leases due to title defects. We expect that the aggregate relocation costs for the three leased properties with title defects will be approximately RMB0.1 million. The estimated relocation costs were based on the number of employees at each site, the nature of items to be moved, mainly including office equipment, documents, and accessories, and the potential need to purchase new furniture if not provided at the new premises. As a result, our Directors believe that relocation will not have a material adverse effect on our business, results of operations and financial condition.

Furthermore, we have enhanced our internal control to avoid such risks by the following measures:

- we have assigned designated personnel to follow up with the relevant parties to retrieve the ownership certificates or other ownership documents of the existing properties with title defects as soon as possible; and

- we will conduct our due diligence and reviews more prudently when we lease additional premises, particularly on the title certificates and designated use for such properties.

Non-registration

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-rural Development of the PRC (中華人民共和國住房和城鄉建設部). As of the Latest Practicable Date, 57 lease agreements of our leased properties had not been registered with the PRC government authorities as required. As advised by our PRC Legal Advisors, the validity of the lease agreements are not affected by the failure to register them with the relevant government authorities. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. The aggregate maximum potential penalties for failing to complete the registration within a prescribed period in relation to the 57 lease agreements would be approximately RMB0.6 million. During the Track Record Period and up to the Latest Practicable Date, we had not received any order from the relevant government authorities requiring us to register these lease agreements. We undertake to cooperate fully to facilitate the registration of lease agreements once we receive any requirements from relevant government authorities.

We have implemented internal control measures to prevent recurrence of non-registration, including assigning designated staff to manage regulatory registration and filing related matters. The designated staff will keep records of the lease registration status and report to our senior management periodically.

INSURANCE

We maintain certain insurance policies. For example, to better protect our properties and manage risks, we maintain insurance policies covering our production facilities, buildings and operational equipment used in our production activities. We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practice in our industry. Our employee-related insurance includes the social insurance and housing provident fund as required by PRC laws and regulations.

However, in line with general market practice, we do not maintain any business interruption insurance or keyman life insurance, which are not mandatory under PRC laws. We also do not maintain insurance policies covering damages to our technological infrastructure such as servers, network and databases. During the Track Record Period and up to the Latest Practicable Date, we had not made or been the subject of any material insurance claims. For details, see "Risk Factors — Risks Relating to Our Business and Industry — Our limited insurance coverage could expose us to significant costs and business disruption."

AWARDS AND RECOGNITION

We have established strong brand and reputation with our technological capabilities and trustworthy products and services. The following table sets forth certain significant awards and recognition we have received.

Awarding Year	Award/Recognition	Issuing Organization
2025	Specialized and Innovative "Little Giant" Enterprise (專精特新"小巨人"企業)	MIIT

Awarding Year	Award/Recognition	Issuing Organization
2025.	National High and New Technology Enterprise (2024–2027) (國家高新技術企業 (2024–2027))	Xiamen Municipal Bureau of Science and Technology (廈門市科學技術局), Xiamen Municipal Bureau of Finance (廈門市財政局), Xiamen Municipal Bureau of Tax Service of State Taxation Administration (國家稅務總局廈門市稅務局)
2024.	Xiamen Future Industry Major Science and Technology Program Project (廈門市未來產業重大科技計劃項目)	Xiamen Municipal Bureau of Science and Technology
2024.	Xiamen Future Industry Backbone Enterprise (廈門市未來產業骨幹企業)	Xiamen Municipal Bureau of Science and Technology
2024.	2024 Outstanding City-level Smart Parking Enterprise (2024年度城市級智慧停車優秀企業)	National Industry Association for On-street Parking (道路停車行業聯盟)
2024.	Xiamen Key Industrial Enterprise (廈門市重點工業企業)	Xiamen Municipal Bureau of Industry and Information Technology (廈門市工信局)
2023.	City-level Smart Parking Leading Enterprise (城市級智慧停車領軍企業)	National Industry Association for On-Street Parking
2023.	2023–2024 China Security Industry Top 10 Brands (Smart Parking Sector) (2023–2024年度中國安防行業十大品牌(智慧停車領域))	China Security Industry Top 10 Brands Selection Committee and Security Industry Digital Transformation Media Platform (安防產業數字化轉型全媒體平台)
2023.	2023 "Future Unicorn" Innovation Enterprise in Core Digital Economy Industries of Fujian Province (2023年度福建省數字經濟核心產業"未來獨角獸"創新企業)	Digital Fujian Construction Leading Group Office (福建省數字福建建設領導小組辦公室)
2022.	Technology Little Giant Enterprise of Fujian Province (福建省科技小巨人企業)	Department of Science and Technology of Fujian Province (福建省科技廳), Development and Reform Commission of Fujian Province (福建省發改委) and Department of Industry and Information Technology of Fujian Province (福建省工信廳)

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We are subject to legal proceedings, investigations and claims arising in the ordinary course of our business from time to time. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any litigation, arbitration or administrative proceeding pending or, to our knowledge, threatened against us or any of our Directors that could have a material and adverse effect on our business, results of operations and financial condition.

Compliance

We are subject to a number of regulatory requirements and guidelines issued by the regulatory authorities in China. Our Directors confirm that, and our PRC Legal Advisors are of the view that, having made all reasonable inquiries, during the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, or experience any systemic non-compliance incident which, taken as a whole, is likely to have a material adverse effect on our business, results of operations and financial condition.

Social Insurance and Housing Provident Funds

Pursuant to the relevant PRC laws and regulations, employers are obligated to contribute to the social insurance and housing provident funds for their employees. During the Track Record Period, we did not make adequate social insurances and housing provident fund contributions for certain employees. The inadequate contribution was primarily due to (1) inconsistencies in the implementation and interpretation of relevant PRC laws and regulations among different local government authorities, which has complicated our compliance efforts, and (2) the unwillingness by certain employees to take on the additional financial burden associated with social insurance and housing fund contributions. In addition, we engaged third-party human resource agencies to make social insurance and housing provident fund contributions for certain employees during the Track Record Period. We adopted the arrangements primarily because these employees requested us to contribute their social insurance and housing provident fund in their respective places of residence, which are not the place where the relevant subsidiary is located. We estimate that the shortfall of social insurance and housing provident fund contributions in 2023, 2024 and 2025 was approximately RMB18.6 million, RMB20.7 million and RMB21.4 million, respectively, which we believe would not have a material adverse effect on our business.

As advised by our PRC Legal Advisors, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee of 0.05% of the total outstanding balance per day. If we fail to do so within the prescribed period as requested by the relevant social insurance authorities, we may be subject to a fine ranging between one to three times of the total outstanding balance. Meanwhile, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident funds do not satisfy the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed period. If we fail to do so within the prescribed period, the relevant housing provident fund authority may apply to a PRC court for an order of mandatory payment.

During the Track Record Period and up to the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by relevant regulatory authorities with respect to our social insurance or housing provident fund contributions. In addition, we did not receive any notice from judicial or administrative authorities on any material claim from our current and former employees regarding any inadequate contributions. As advised by our PRC Legal Advisors, in the absence of any material employee claims and significant changes in regulatory requirements regarding social insurance and housing provident fund contributions, the likelihood that we would be required by relevant authorities to pay the shortfall and late fees for social insurance and housing provident fund contributions and/or be subject to material administrative penalties due to failure to make full contributions is remote, based on the foregoing and (1) interviews with and/or written confirmations obtained from certain competent governmental authorities, and (2) the Circular of the General Office of the State Administration of Taxation on Stable and Orderly Collection and Administration of Social Insurance Premiums (Taxation General Administration [2018] No. 142)) (國家稅務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知(稅總辦發[2018]142號)), which prohibits self-organized review and collection of prior years' shortfalls and the Circular of the General Office of the State Council on the Issuance of the Comprehensive Plan for Reducing Social Insurance Premium Rates

(General Office [2019] No. 13) (國務院辦公廳關於印發降低社會保險費率綜合方案的通知) (國辦發[2019]13號)), which strictly prohibits human resources and social security authorities from requiring enterprises to make up historical inadequacy in social insurance and housing provident fund contributions in a lump sum.

Based on the foregoing, we did not make any provisions in connection with the foregoing incident during the Track Record Period and up to the Latest Practicable Date. We undertake that in the event that the competent regulatory authorities require us to make up for any shortfall in our contributions and/or pay any late fee, we would seek timely compliance. Moreover, we have been liaising with relevant regulatory authorities in different localities to adjust the payment base for our social insurance and housing provident fund contributions, the procedure and timing of which may vary based on local rules and policies, such that we can make full contributions in compliance with the applicable laws and regulations as soon as practicable.

In relation to our arrangements with third-party human resource agencies, we had not been subject to any labor dispute relating to such arrangements during the Track Record Period and up to the Latest Practicable Date. We have been actively rectifying our arrangements with third-party human resource agencies, including gradually establishing branch offices in locations where our employees are based, in order to enable us to directly make contributions to their social insurance and housing provident funds in compliance with applicable laws and regulations. As of the Latest Practicable Date, all employees had been transitioned to direct contribution arrangements. We will continue to implement appropriate measures to enhance our human resources compliance practices.

We have also enhanced our internal control policies and procedures to ensure compliance with the relevant laws and regulations. We have designed human resource personnel to review and monitor our contributions of social insurance and housing provident funds on a regular basis. In addition, we have conducted and will continue to conduct internal trainings for our Directors, senior management and human resource personnel on the relevant rules and practice in relation to compliance with social insurance and housing provident fund requirements. We will also regularly consult external PRC legal counsels for regulatory updates and to understand whether we are at risk of non-compliance with the relevant laws and regulations.

On July 31, 2025, the Supreme People's Court of the PRC issued the Interpretation, which takes effect from September 1, 2025. As advised by our PRC Legal Advisors, the Interpretation represents a judicial understanding of the existing laws and regulations regarding social insurance contributions. Specifically, it clarifies the legal consequences of three scenarios: (1) employees' undertakings or agreements to waive social insurance contributions are invalid; (2) employees who terminate their employment due to non-payment by the employer are entitled to economic compensation under Article 38(3) of the Labor Contract Law; and (3) where the employer has made supplementary payments, the employer may request the return of any overpaid amounts, which the courts will support. The Interpretation is consistent with the existing regulatory framework and does not introduce new substantive obligations. Therefore, our Directors are of the view that the Interpretation will not have any material impact on our business operations or financial performance. We have implemented measures to ensure ongoing compliance with the Interpretation and other relevant laws and regulations regarding social insurance and housing provident fund contributions. These measures include reviewing internal policies to ensure that no employees are required or permitted to waive their contributions, and providing training and guidance to human resources, finance, and management personnel on the Interpretation and applicable regulations.

Filing of Parking Facilities

Laws and regulations of various regions in China generally require operators of business parking facilities to file and/or connect to relevant information management platforms, or, in certain cities such as Shenzhen, to obtain operation permits before commencement of business. Despite our efforts, among a total of 93 parking facilities operating under the contract operation model as of the Latest Practicable

Date, (1) 38 parking facilities had been filed or connected to the relevant information management platforms, (2) 40 parking facilities had provided supporting documentation demonstrating that filing was not required, (3) eight parking facilities were undergoing the filing process, and (4) the remaining seven parking facilities had not yet been filed or connected due to various reasons, such as failure by the parking facility owners to cooperate or otherwise provide the required documentation. As a result, we may be subject to fines and penalties generally ranging from RMB200 to RMB30,000 per parking facility in accordance with applicable local regulations. The aggregate maximum potential penalties for failing to file and/or connect our parking facilities to relevant platforms would be approximately RMB0.4 million.

We have maintained ongoing communications with parking facility owners to obtain the documentation required for filing and with the relevant regulatory authorities to better understand the applicable local regulations and procedures, in order to file and/or connect to relevant platforms as soon as practicable. As advised by our PRC Legal Advisors, except for the need to coordinate with certain parking facility owners to cooperate or provide the required documentation, there are no material legal impediments to completing the relevant filing process for parking facilities in accordance with applicable PRC laws and regulations. To prevent the recurrence, for additional parking facilities under the contract operation model, we will review the feasibility of filing during the contract evaluation phase and require the filing to be completed within one month of contract signing. In addition, pursuant to our agreements, the owners must fully cooperate with the filing process and bear the risks of non-filing, and will receive the first payment only after filing process is complete.

Inspection of Charging Stations

Electric vehicle charging stations are currently subject to mandatory inspection, and local governments may formulate relevant and specific methods. If the charging stations are used without having been applied for inspection as required or are continued to be used after failing inspection, the competent authority has the right to order them to stop using the charging stations and impose a fine of no more than RMB1,000.

As of the Latest Practicable Date, 858 out of our 878 charging station projects, comprising 4,725 out of a total of 4,840 charging stations, had been submitted to the mandatory inspection platform, and the remaining 20 newly added projects involving 115 charging stations were in the process of preparing the necessary documentation for submission as soon as practicable. The aggregate maximum potential penalties for failing to submit for inspection in relation to the 115 charging stations would be approximately RMB0.1 million. Among the submitted projects, 293 projects involving 1,680 stations had completed the mandatory inspection, while the remaining 565 projects involving 3,045 stations were still undergoing inspection due to the varying inspection standards across different localities and the time required for acceptance and completion of the inspection.

According to our PRC Legal Advisors, under current PRC regulatory practice, submission of such applications is deemed as completion of rectification for compliance purposes, even if the inspection process is still ongoing. As further advised by our PRC Legal Advisors, the inspection in question is intended to verify the accuracy of measuring instruments used in charging stations, with a regulatory objective of preventing the use of inaccurate measurement devices for unfair gain, rather than addressing safety matters. Accordingly, our Directors are of the view that, since we have not altered or otherwise misused the charging stations in a manner that could compromise their operation, the fact that such inspection is still in progress does not give rise to any safety concerns. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the Directors' view above. To prevent the recurrence, for additional charging station projects, we will report to the mandatory inspection platform and complete the inspection at an early stage of the projects.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We believe that strong management on environmental, social and corporate governance ("ESG") is essential to the sustainability of our business. We have made numerous ESG endeavors to create value not only for our customers and us but also for our employees, our communities and the society. In particular, our Board has adopted an ESG policy in accordance with the Listing Rules, which sets forth our corporate social responsibility objectives and provides guidance on practicing corporate social responsibility in our daily operations. Our Board has the collective and overall responsibility for establishing, adopting and reviewing the ESG vision, policy and target of our Group, and evaluating, determining and addressing our ESG-related risks at least once a year. Our Board may assess the ESG risks and review our existing strategies, targets and internal controls. Necessary improvements will then be implemented to mitigate the risks.

Environmental Protection

We are committed to innovating services that empower businesses in a way that also protects the environment and resources. Our smart parking business helps improve the operational efficiency and utilization of parking facilities, which in turn facilitates reductions in vehicle emissions and overall resource consumption. For example, our parking space guidance and vehicle search system helps reduce the time drivers spend searching for available parking spaces, thereby reducing unnecessary vehicle circulation, traffic congestion and associated fuel consumption and emissions. In addition, we help improve the utilization of parking resources, supporting the development of lower-carbon urban transportation infrastructure. For example, by identifying parking facilities with clear tidal usage patterns and periods of low occupancy, our off-peak usage collaboration model helps parking facilities introduce flexible pricing arrangements and staggered parking products to attract more users during off-peak periods. Our online parking space rental platform also facilitates the matching of parking space supply and demand by aggregating available parking resources.

Furthermore, we have taken measures to facilitate the environmental-friendliness of our workplace by encouraging, among other things, an energy-saving culture within our Company. We have implemented internal policies to reduce our carbon footprint through a number of measures, such as (1) switching off lights and powers for electronic devices when not used, (2) examining water supply devices regularly and turning off water taps if not in use to save water, and (3) using double-sided printing of documents to the extent possible and developing a paperless office. In addition, we have implemented internal environmental protection policies at our production facilities to minimize the environmental impact of our manufacturing activities. These include measures to reduce air and noise pollution, such as equipping dust-generating production lines with dust filtration systems and installing noise-reducing enclosures for high-decibel equipment. We also monitor and manage wastewater discharge and solid waste disposal through standardized procedures to prevent secondary contamination. These initiatives form part of our broader efforts to build a resource-efficient and environmentally responsible manufacturing system.

The following table sets forth our key environmental metrics for the years indicated.

	Year ended December 31,		
	2023	**2024**	**2025**
Water consumption *(m^3)*	18,220	28,277	26,747
Electricity consumption *(MWh)*	2,230	2,366	2,439
Particulate greenhouse gas ("GHG") emissions *(kg)*	353	416	38
Non-methane GHG emissions *(kg)*	25	30	9
Wastewater discharge *(m^3)*	5,096	8,004	9,484

We have set our environmental targets for emissions and resource consumption based on the above metrics and taking only our existing facilities into consideration. For air pollutants, we plan to reduce particulate GHG emissions by 3.83% and non-methane GHG emissions by 2.14%, using 2024 as the base year, through measures such as increasing the use of bags or foam filters and implementing activated carbon boxes. In terms of water resource, we aim to reduce consumption by 5% by 2028 compared to 2024, with control measures including implementing water-efficient equipment, optimizing air conditioning maintenance, regularly inspecting for water leaks and raising employee awareness through training. Additionally, we aim to reduce electricity consumption by 3% by 2028 as compared to 2024. Strategies to achieve this include replacing old lighting with LED fixtures, carrying out regular system maintenance, prioritizing energy-efficient office equipment, reducing non-critical loads during peak hours, operating energy-intensive equipment during off-peak hours, minimizing standby power consumption and promoting energy-saving habits among employees.

Social Responsibility

Under our ESG Policy, we aim to build a sustainable community with our employees, communities and other stakeholders by supporting initiatives that aim to create effective and lasting benefits. Our employees are crucial to our success, and we aim to foster a corporate culture that not only empowers innovation and achievements, but also contributes to the individual development and wellness of our employees. We invest heavily in employee training programs, including new employee onboard training, internal procedure and management training, and product and technology related training, covering the important aspects of their work. We also value the health, safety and wellness of our employees, and continue to arrange various activities to help them enjoy a better quality of life and contribute to our success. We strictly abide by applicable laws, regulations and internationally recognized practices in conducting our operations and have implemented work safety guidelines setting out safety practices, accident prevention and accident reporting procedures to protect our employees.

Supply Chain Management

We are committed to establishing a well-defined supplier management procedure and implementing a rigorous supplier risk management process. We maintain a structured supplier admission process to ensure quality, compliance and operational efficiency. Initial screening covers factors such as supplier's scale, qualifications, performance history, product quality, credit standing, and payment terms. We also review certifications such as ISO and environmental and safety compliance based on business needs. Price quotations from shortlisted suppliers are compared through cost analysis and negotiation. Product samples are tested by our electronics team, with formal reports issued. Criteria for subsequent evaluation include legality of sourcing, quality assurance systems, delivery capability, production facilities, customer base, after-sales service, and cost competitiveness. Only suppliers passing these assessments and sample tests are approved for cooperation. In addition, we tend to collaborate with environmentally friendly and socially responsible suppliers, and take into consideration of the environmental impact of products and materials supplied for our daily operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material claim or penalty in relation to health, safety, social and environmental protection, or been involved in any significant workplace accident or fatality. During the Track Record Period and up to the Latest Practicable Date, our expenses in relation to environmental protection were insignificant and we expect such expenses to remain at relatively low levels in the foreseeable future.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

We have designated responsible personnel in our Company to monitor the ongoing compliance by our Company with the relevant PRC laws and regulations that govern our business operations and oversee the implementation of necessary measures. In addition, we plan to provide our Directors, senior management and relevant employees with continuing training programs and/or updates regarding the relevant PRC laws and regulations on a regular basis with a view to proactively identify any concern and issue relating to any potential non-compliance.

We have adopted internal rules and policies governing various aspects of our business operations and management, including information system, physical assets, procurement, sales and marketing, financial reporting and human resources. For example, we have in place policies and code of ethics and business conduct to provide our employees with best practices, work ethics and clear anti-corruption and anti-bribery guidance. In particular, we have adopted internal control policies such as the Anti-Fraud Management Policy, Anti-Money Laundering Policy, Internal Audit Policy, Professional Code of Ethics Red Lines, and Notice on the Release of Specific Circumstances Constituting Serious Violations of Company Rules. These policies collectively define prohibited conduct, outline reporting and investigation procedures, and set out disciplinary measures for violations. Furthermore, we have adopted a set of policies and procedures in connection with our financial reporting management, such as financial and accounting policies, budget management procedures and financial statement preparation procedures.

During the Track Record Period and up to the Latest Practicable Date, our Directors did not identify any material internal control weakness or failure. We have also engaged an independent internal control consultant to carry out a review work of our internal control in March 2025 and a follow-up review in April 2025 which covers corporate governance level and business process level in connection with the Listing. Our internal control consultant put forward recommendations in March 2025 based on such review. We have implemented rectification and improvement measures, as the case may be, in response to their findings and recommendations. The internal control consultant performed follow-up procedures on our remedial measures in April 2025 and no further recommendation was raised by the internal control consultant. After considering the remedial measures that we have taken, our Directors are of the view that our internal control system is adequate and effective for our current operations.

In addition, we have also appointed CMBC International Capital Limited as our external compliance advisor with effect from the date of the Listing to advise on ongoing compliance with the Listing Rules and other applicable securities laws and regulations in Hong Kong.

Risk Management

We are exposed to various risks in the operations of our business and we believe that risk management is important to our success. Key operational risks faced by us include, among others, our ability to retain and grow our customer base and usage, our ability to respond to technological changes, competition in the relevant industries, and our ability to successfully expand to and develop market recognition in various industry sectors. See "Risk Factors" for disclosures on various risks we face. In addition, we also face numerous market risks, such as foreign currency risk, credit risk and liquidity risk that arise in the ordinary course of our business. See "Financial Information — Quantitative and Qualitative Disclosures of Financial Risks" for details.

We have implemented various policies and procedures to ensure effective risk management at each aspect of our operations, including administration of daily operations, data security, financial reporting procedures, and compliance with applicable laws and regulations. Our Board oversees and manages the overall risks associated with our operations. We have established an audit committee to review and supervise the financial reporting process and internal control system of our Group. See "Directors and Senior Management — Board Committees — Audit Committee" for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our audit committee. We have adopted with effect from the Listing Date written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules.

BUSINESS ACTIVITIES RELATING TO COUNTRIES SUBJECT TO INTERNATIONAL SANCTIONS

The United States and other jurisdictions or organizations, including the European Union, the United Kingdom and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against certain countries and regions or against targeted industry sectors, groups of companies or persons, and/or organizations within such countries and regions. See "Regulatory Overview — Sanctions Laws and Regulations."

During the Track Record Period, we sold our smart parking systems to the Relevant Regions, involving non-sanctioned customers, and had also received a U.S. dollar payment processed through a U.S. corresponding bank for a sale of our parking guidance systems comprising LED guidance displays, network controllers and parking sensors to Iran in 2024 totaling US$4,960 ("Iranian Transaction"). The Iranian Transaction involved only a single customer in Iran, with the last shipment made in November 2024. The revenue generated from our sales to the Relevant Regions were RMB1.9 million, RMB52.5 million and RMB20.7 million, respectively, in 2023, 2024 and 2025, representing 0.3%, 6.6% and 2.5% of our total revenue for the same years, respectively. For the sole sale of our products to Russia during the Track Record Period, the revenue generated from such transaction was only approximately RMB991, nil and RMB197 in 2023, 2024 and 2025, respectively. Our revenue generated from sales to the Relevant Regions increased significantly from 2023 to 2024 primarily due to our cooperation with a real estate investment and development company headquartered in Hong Kong, through which we generated revenue of RMB50.5 million.

As advised by our International Sanctions Legal Advisors after performing the procedures they consider necessary, the Iranian Transaction appears to be a potential violation of the applicable U.S. sanctions due to the U.S. dollar payments processed through a U.S. corresponding bank for a sale. Save for this Iranian Transaction, our activities in the Relevant Regions did not represent a violation of International Sanctions or any Primary Sanctioned Activity because we had no other business activities in a Comprehensively Sanctioned Country processed through a U.S. corresponding bank or with any Sanctioned Targets. According to our International Sanctions Legal Advisors, our activities involving Iran and Russia may be viewed as Secondary Sanctionable Activities, and, in particular, the Iranian Transaction may result in imposition of monetary penalties on us; however, it is unlikely that our activities with the Relevant Regions, including the Iranian Transaction would result in the imposition of sanctions on the Relevant Persons, given (1) the one-off and inadvertent nature of the violation and the relatively low value of the transaction; and (2) pursuant to OFAC's Enforcement Guidelines, the potential monetary base penalty for the violation would likely to be approximately US$10,000 even if we were to forego the voluntary self-disclosure process ("VSD," a voluntary mitigating step an entity can decide to proceed to disclose an apparent/potential violation to the competent regulatory body, and the inaction of not submitting VSD itself is not a violation of U.S. sanctions). Our Directors are of the view that such monetary penalty would not appear to represent a material risk for us. Furthermore, according to our International Sanctions Legal Advisors, the risk that our sale to Russia would result in the imposition of sanctions on the Relevant Persons is low, given (1) our products are not listed on the Russia Critical Items Determination issued pursuant to subsection 11(a)(ii) of the Executive Order 14024 nor the Common High Priority List issued by the BIS on February 23, 2024, and (2) we did not provide items subject to the Export Administration Regulations to Russia. As further advised by our International Sanctions Legal Advisors, save for these activities involving Iran and Russia and for which only limited activities in Iran represented a violation of the primary U.S. sanctions, the activities in the other Relevant Regions did not represent a Primary Sanctioned Activity nor Secondary Sanctionable Activity because none of these regions are a Comprehensively Sanctioned Country, and our counterparties in such regions are not sanctioned. We will continue our activities in Hong Kong in accordance our sanctions internal controls measures in place. As of the Latest Practicable Date, we had ceased our business activities in Iran and Russia in light of the uncertainties and potentials risks in relation to International Sanctions. Based on the foregoing, our Directors are of the view that we are not subject to any sanctions risks that would materially affect our business operations and financial performance. Based on the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt in any material respect on the foregoing Directors' view that the Group is not subject to any sanctions risks that would materially affect its business operations and financial performance.

We have implemented an internal control framework to mitigate the risk of exposure to international economic sanctions, export controls, trade embargoes and other prohibitions and restrictions on international trade and investment related activities. Our legal department maintains or has access to regularly updated lists of sanctioned countries and regions and "restricted parties" or "sanctioned persons" (including entities and individuals listed on the SDN List and other relevant sanctions lists). These lists are disseminated internally and integrated into our daily operations. Specifically, under our internal control measures:

- all business units are required to conduct sanctions screening and due diligence before onboarding any new customers, suppliers, or other counterparties. We strictly prohibit any transactions involving comprehensively sanctioned countries or restricted parties, whether such transactions are direct or indirect;

- we generally incorporate sanctions compliance clauses into all contracts, purchase orders, and related transaction documentation, which require counterparties to confirm that they will not engage in any conduct that could cause us to violate applicable sanctions laws;

- we will provide targeted sanctions compliance training to relevant personnel, including Directors, senior management, and account managers, as necessary to ensure that the personnel are well-equipped to identify and manage relevant risks in our daily operations;

- all employees are required to promptly report to the legal department any past or present business relationships or transactions that may potentially violate, or lead to the violation of, our sanctions compliance policies. Our legal department should then determine appropriate actions; and

- violations of the sanctions compliance policies may result in disciplinary measures, including termination, and may subject the individuals involved to civil or criminal penalties under applicable laws.

Our legal department is responsible for monitoring our ongoing exposure to sanctions risk and assessing the effectiveness of our internal controls. In addition, we have designated a separate bank account for receiving and deploying proceeds from the Global Offering or other fundraising activities through the Stock Exchange. Our directors continuously monitor the use of such funds to ensure that they are not used, directly or indirectly, to finance or facilitate activities or business with, or for the benefit of, countries subject to International Sanctions or sanctioned persons. Our Directors are of the view that our internal control measures to manage our exposure to sanctions risks are adequate and effective. Based on the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the foregoing Directors' view in any material respect.

OVERVIEW

As of the Latest Practicable Date, Mr. Sun and Mr. Huang, who have entered into the joint control arrangements, were entitled to collectively control 53.65% of the voting power at the general meetings of our Company, comprising (1) 26.37% beneficially owned by Mr. Sun directly, (2) 23.94% beneficially owned by Mr. Huang directly, and (3) 3.34% beneficially owned by Hualong Electronics, which is a company with limited liability controlled and owned by Mr. Huang and Mr. Sun as to 51.00% and 49.00%, respectively. Upon the Listing, Mr. Sun and Mr. Huang will collectively control 48.28% of the voting power at the general meetings of our Company, comprising (1) 23.73% beneficially owned by Mr. Sun directly, (2) 21.55% beneficially owned by Mr. Huang directly, and (3) 3.00% beneficially owned by Hualong Electronics, assuming the Over-allotment Option is not exercised. Therefore, Mr. Sun, Mr. Huang and Hualong Electronics constituted as of the Latest Practicable Date and will continue to constitute upon the Listing a group of Controlling Shareholders. See "History, Development and Corporate Structure — Joint Control Arrangements" for details of the joint control arrangements between Mr. Sun and Mr. Huang.

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

Our Controlling Shareholders have confirmed that as of the Latest Practicable Date, none of them or any of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management Independence

Our business is primarily managed and conducted by our Board and senior management. Upon the completion of the Listing, our Board will comprise of two executive Directors, two non-executive Directors and three independent non-executive Directors. See "Directors and Senior Management" for more information of our Directors. Save for Mr. Sun, one of our executive Directors, the chairman of our Board and the general manager of our Company, and Mr. Huang, the other executive Director, who served as the director and the general manager of Hualong Electronics, respectively, none of our Directors or senior management will hold any position in Hualong Electronics.

Our Directors believe that our Board and senior management is able to manage our business and function independently from our Controlling Shareholders based on the following reasons:

(1) each of our Directors is aware of his/her fiduciary duties as a Director of our Company which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(2) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum;

(3) we have three independent non-executive Directors, who have extensive experience in different areas and have been appointed to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review in accordance with the Listing Rules, the applicable laws and our Articles of Associations and internal policies;

(4) our daily management and operations are carried out by a senior management team. Except Mr. Sun and Mr. Huang, our senior management team members are independent from our Controlling Shareholders, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interest of our Group;

(5) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See "— Corporate Governance." In particular, the Articles provides that our Controlling Shareholders shall not damage the interests of the Company through their connected relationships, and our Company has codified Conflict of Interest Management Policies (利益衝突管理制度). Each of our Directors and senior management shall follow the provisions in the Conflict of Interest Management Policies and make declaration of interests accordingly;

(6) Mr. Sun and Mr. Huang has undertaken that during the period when each of them serves as a Shareholder, Director or employee in our Group and during the two years from the date when each of Mr. Sun and Mr. Huang ceases to be a Shareholder, Director or employee in our Group, Mr. Sun and Mr. Huang will not engage or invest in, or manage or participate in any of our Company's competing businesses, or hold any position in any of such competing businesses; and

(7) it is noted that Mr. Sun and Mr. Huang have held directorship and senior management positions in each of Hualong Electronics and our Company for over a decade. During the past decade, no issue in relation to conflict of interest between our Controlling Shareholders and our Group had ever been raised.

Operational Independence

Independent Operations

We have established our own organizational structure comprised of individual departments, each with specific areas of responsibilities. We have also established various internal controls procedures to facilitate the effective operation of our business. Our Group is not operationally dependent on our Controlling Shareholders or their respective close associates. Our Company (through our subsidiaries) holds or enjoys the benefit of all relevant licenses and owns all relevant intellectual property and research and development facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from the members of our Controlling Shareholders and their respective close associates. We also have independent access to our customers and suppliers.

We conducted transactions with our Controlling Shareholders and/or their close associates during the Track Record Period. See "Financial Information — Related Party Transactions" for details. Certain transactions with our Controlling Shareholders Group and/or their close associates will continue and be *de minimis* under Rule 14A.76 of the Listing Rules. See "Connected Transactions" for details. Our Directors believe such transactions do not indicate any material reliance by our Company on our Controlling Shareholders.

Based on the above, our Directors believe that we are capable of carrying on our business independently of the members of our Controlling Shareholders and their close associates.

Financial Independence

We have an independent financial system. Our Group's accounting and finance functions are independent of the members of our Controlling Shareholders and their close associates. Our Group makes financial decisions according to our own business needs. Our Group's major finance operations are handled by our financial management department, which operates independently from the members of our Controlling Shareholders and their close associates. We do not share any other functions or resources with the members of our Controlling Shareholders or their close associates.

We primarily finance our business operation through cash generated from our business activities and equity financing activities. During the Track Record Period and up to the Latest Practicable Date, certain bank loans to the Group were guaranteed by our Controlling Shareholders. As of April 30, 2026, being the latest practicable date for the purpose of the statement of indebtedness in this prospectus, the outstanding amount of such guaranteed loans (including principals and accrued interests) was RMB76.9 million. Such guarantees will be released upon the Listing as confirmed by the relevant banks.

Save for the above, none of the members of our Controlling Shareholders or their respective associates financed our operations during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that our Group does not intend to obtain any borrowings, guarantees, pledges or mortgages from any of our Controlling Shareholders or entities controlled by our Controlling Shareholders. Our Directors believe that our Group is able to operate with financial independence from the members of our Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE

We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Controlling Shareholders and safeguard the interest of our Shareholders, including:

(1) where a Shareholders' meeting is to be held for considering proposed transactions in which the members of our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(2) our Company has established internal control mechanism to identify connected transactions. After the Listing, our Company will comply with the requirements in connection with connected transactions under the Listing Rules;

(3) where our Directors reasonably request the advice of independent professionals, such as independent financial advisors, the appointment of such independent professional will be made at our Company's expense;

(4) we have appointed CMBC International Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance;

(5) we have established the Audit Committee, Remuneration Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code;

(6) our Controlling Shareholders will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company. In addition, Mr. Sun and Mr. Huang, being our Controlling Shareholders and only

two Directors and senior management with overlapping positions in Hualong Electronics, have undertaken that (i) no other senior management member will be permitted to serve as an executive role in Hualong Electronics or other company (if applicable) owned by Mr. Sun or Mr. Huang during such senior management member's employment with our Group, and (ii) Mr. Sun and Mr. Huang will not engage or invest in our Company's competing business. See "— Independence from our Controlling Shareholders — Management Independence" for details of such non-competition undertaking;

(7) our Company will disclose decisions (with basis), if any, on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;

(8) the Articles provide that our Controlling Shareholders shall not damage the interests of our Company through their connected relationships. If the Controlling Shareholders breach the aforementioned provision and cause losses to our Company, they shall be held liable for the relevant damages; and

(9) our Company has codified Conflict of Interest Management Policies (利益衝突管理制度), pursuant to which, (i) the Directors and senior management shall fill in, sign, confirm and submit the conflict of interest declaration forms ("Declaration Forms") to the Company's chief financial officer within five working days before December 31 of each year; (ii) the Audit Committee will review and approve the Declaration Forms submitted by the Directors and senior management. For any issue that requires further investigation, the applicant shall be requested to provide additional explanations, and the chief financial officer will designate a person-in-charge to conduct the relevant investigation. The chief financial officer shall revert the feedback on approval results to the applicants and file the corresponding Declaration Forms at the general manager's office; and (iii) after receiving the feedback results, the applicants shall handle the conflict of interest issues in accordance with the review comments within a specified time, and the chief financial officer shall designate a person-in-charge to follow up on and supervise the implementation status of the applicants.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between the members of our Controlling Shareholders and their respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

OVERVIEW

We have entered into certain agreements and arrangements with certain entities that will, upon the Listing, become our connected persons. Immediately following the completion of the Global Offering (assuming no exercise of the Over-Allotment Option), Mr. Sun, Mr. Huang and Hualong Electronics will constitute a group of Controlling Shareholders. Wuxi Geomatec Optoelectronic Technology Co., Ltd. (無錫吉奧馬光電科技有限公司) ("Wuxi Geomatec") is controlled and owned by Mr. Huang and Mr. Sun as to 51.00% and 49.00%, respectively, and therefore a close associate of our Controlling Shareholders. As Hualong Electronics and Wuxi Geomatec will be connected persons of our Company upon the Listing, the transactions between our Group and Hualong Electronics and Wuxi Geomatec will constitute continuing connected transactions under Chapter 14A of the Listing Rules. See "Relationship with Our Controlling Shareholders" for details of our Controlling Shareholders.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Procurement of Raw Materials

Hualong Electronics is primarily engaged in the manufacturing and sales of electronic products, including coils, cable harness and printed circuit board assembly ("PCBA") modules, and the related online operations. Wuxi Geomatec is primarily engaged in R&D, manufacturing and sales of anti-reflective glasses. Both PCBA modules and anti-reflective glasses are necessary raw materials for manufacturing of our certain terminal devices products, such as the cameras and intercom devices for parking fee management systems. During the Track Record Period, we procured high quality PCBA modules and anti-reflective glasses from Hualong Electronics and Wuxi Geomatec, respectively. Our Directors believe that the relevant procurement transactions do not indicate any undue reliance by our Company on our Controlling Shareholders as we may purchase such raw materials from independent suppliers. For the year ended December 31, 2023, 2024 and 2025, the transaction amount in connection with the procurement of PCBA modules from Hualong Electronics was nil, RMB112,400 and RMB1,004,600, respectively, and the transaction amount in connection with the procurement of anti-reflective glasses from Wuxi Geomatec was RMB22,100, RMB693,900 and RMB449,200, respectively. As we started to procure PCBA modules and anti-reflective glasses from Hualong Electronics and Wuxi Geomatec in December 2024 and November 2023, respectively, with a view to diversifying our source of supply, the historical transaction amounts showed a notable increase in the relevant years. See Note 33 to the Accountants' Report in Appendix I to this prospectus for details. After the Listing, we expect such transactions will continue, and the aggregate procurement amount for each of 2026, 2027 and 2028 will be less than HK$3.0 million.

2. Procurement of Value-added Telecommunication Services

During the Track Record Period, we held a value-added telecommunications business operation license for Internet information service (the "ICP License") for the operation of a website under the domain name "keytop.cn". This was to facilitate the operation of our *Speed Parking* (速停車) platform, as its parking fee payments function is realized on the separate website of "keytop.cn" with an auto-directing access integrated to our WeChat mini-program. See "Business — Our Offerings — Platform Operations (平台運營) — *Speed Parking* (速停車)" for more details of such business.

According to the Negative List and the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》), value-added telecommunication service business is considered "restricted," which is subject to restrictions on percentage of foreign ownership (i.e. foreign investors may hold an aggregate of no more than 50% of the total equity in such value-added telecommunications business in the PRC, except for e-commerce, domestic multi-party communications, storage-forwarding and call centers). As advised by the PRC Legal Advisors, the operation of a website for realizing parking fee payments, an integrated function of *Speed Parking* platform, constitutes a value-added telecommunications business that subject to foreign ownership restriction requirement. To avoid the implementation of our Company's "Full Circulation" plan and the Global Offering being affected by such foreign ownership restriction under the PRC laws, we decided to cease to operate ourselves such website, deregister the ICP License (whose deregistration had been completed in May 2025) and procure website operation and maintenance services from a third party. In order to ensure a smooth transition, avoid any unexpected disruption of the operation of our *"Speed Parking"* and reduce administrative cost in the course of communication and coordination, we decided to procure website operation and maintenance services from Hualong Electronics, an ICP License holder which has an established operation team in charge of its online operations. On March 19, 2025, Hualong Electronics and our Company entered into a service procurement agreement (the "Website Service Procurement Agreement"), pursuant to which, Hualong Electronics agreed to provide and we agreed to procure operation and maintenance services in connection with the website under the domain name of "stytc.cn" in replacement of the original website of "keytop.cn". The initial term of the Website Service Procurement Agreement will end on December 31, 2027, subject to renewal for three years upon mutual agreement and in compliance with the Listing Rules. The service fee under the agreement is RMB108,000 per annum including tax, determined after arm's length negotiations with reference to the nature and content of the services, the costs that Hualong Electronics may incur in connection with the services and the price of similar services provided by other third party service providers.

Based on a series of anonymous telephone consultation conducted with the Xiamen Communications Administration (廈門市通信管理局) (the "Bureau") from January to February 2025 via the Bureau's official public telephone line, it is verbally confirmed that (1) conducting *Speed Parking* business on mini-programs does not require obtaining an ICP certificate separately, (2) the subject of supervision by the Bureau was the party holding the ICP certificate, which is Hualong Electronics, and (3) the entity holding the ICP certificate could use the website listed in the certificate to carry out corresponding website services, and enter into business cooperation with others within the scope of permission. Based on the anonymous consultation above, our transaction arrangement with Hualong Electronics is commercial in nature and not subject to regulatory supervision under the mandatory provisions governing value-added telecommunications services. The PRC Legal Advisors have assessed that the Bureau is the competent authority responsible for supervising telecommunications-related business activities in the relevant jurisdiction, and consider it reasonable to rely on the response provided by the officer during the consultation as indicative of the Bureau's regulatory position. As advised by the PRC Legal Advisors after consulting with the Bureau, our adoption of the above transaction arrangement does not violate mandatory provisions on value-added telecommunications services.

Our revenue attributable to *Speed Parking* during the Track Record Period is as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
Revenue attributable to *Speed Parking (RMB in millions)*	50.7	57.7	54.6
Total revenue of our Group *(RMB in millions)*	738.0	799.5	830.6
Percentage of the revenue attributable to *Speed Parking* in the total revenue (%)	6.87%	7.22%	6.57%

OUR DIRECTORS' VIEWS AND LISTING RULES IMPLICATIONS

Our Directors are of the view that procuring website operation and maintenance services from Hualong Electronics is not likely to give rise to any material reliance on our Controlling Shareholders, mainly because the website operation and maintenance services provided by Hualong Electronics are standardized services at relatively low price, and it is not difficult for us, if necessary, to engage a third party service provider other than Hualong Electronics.

Furthermore, our Directors are of the view that the transactions in respect of the procurement of raw materials from Hualong Electronics and Wuxi Geomatec and the transactions contemplated under the Website Service Procurement Agreement have been entered into in our ordinary and usual course of business and on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. As their respective transaction amount is expected to be less than HK$3.0 million per year and all applicable ratios are less than 5%, these transactions will be fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

OVERVIEW

Upon the Listing, the Board of Directors will consist of seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of the Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

Our senior management is responsible for the day-to-day operations of the Company.

All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

The following table sets forth certain information regarding the members of our Board.

Name	Age	Position	Date of joining our Group	Date of appointment as a Director *(Note)*	Responsibility	Relationship with other Directors and senior management
Executive Directors						
Mr. Sun Longxi (孫龍喜)	48	Chairman of the Board, executive Director and general manager	June 27, 2006	January 12, 2009	Responsible for the overall strategic planning, business direction and management of our Group	Joint control with Mr. Huang
Mr. Huang Jinlian (黃金練)	54	Executive Director	June 27, 2006	August 8, 2011	Responsible for the overall strategic planning of our Group	Joint control with Mr. Sun
Non-executive Directors						
Mr. Wang Zhongsheng (王忠生)	50	Non-executive Director	July 2, 2012	April 11, 2025	Responsible for providing advice and opinions on matters concerning employees of our Group	N/A
Mr. Ye Hua (葉樺). . .	56	Non-executive Director	February 24, 2020	February 24, 2020	Responsible for the supervision of the management team and the protection of Shareholders' benefits	N/A
Independent non-executive Directors						
Dr. Li Xiaolin (李小琳)	47	Independent non-executive Director	March 22, 2021	March 22, 2021	Responsible for providing independent advice on the operations and management of our Group	N/A
Dr. Su Xinlong (蘇新龍)	61	Independent non-executive Director	March 22, 2021	March 22, 2021	Responsible for providing independent advice on the operations and management of our Group	N/A
Mr. Chen Linwei (陳琳偉)	51	Independent non-executive Director	April 11, 2025	April 11, 2025	Responsible for providing independent advice on the operations and management of our Group	N/A

Note: With respect to the independent non-executive Directors, "date of joining our Group" refers to the date on which the relevant person was appointed as an independent non-executive Director with no management or executive function.

Executive Directors

Mr. Sun Longxi (孫龍喜), aged 48, is our founder, chairman of the Board, executive Director and general manager, and was appointed as an executive Director and general manager of our Company in January 2009. Mr. Sun is primarily responsible for the overall strategic planning, business direction and management of our Group.

Mr. Sun obtained a bachelor's degree in computer software from the School of Information Science and Technology, Changchun Science University (長春科技大學信息科學與技術學院) in the PRC in July 1999, which was merged into Jilin University (吉林大學) in November 2000. In addition, he obtained an executive master of business administration degree from China Europe International Business School (中歐國際工商學院) in the PRC in July 2019.

Mr. Huang Jinlian (黃金練), aged 54, is our executive Director. Mr. Huang joined our Company in June 2006. Mr. Huang was appointed as Chairman of the Board in August 2011 and was redesignated as an executive Director in April 2025. Mr. Huang is primarily responsible for the overall strategic planning of our Group.

Mr. Huang is experienced in business management and operations. Mr. Huang has served as the president of Seiko International CO., LTD., a company incorporated in Japan primarily engaged in trading business, since July 1997. Mr. Huang served as a chairman in (1) Xiamen Gukuang Future Technology Investment Co., Ltd. (廈門谷曠未來科技投資有限公司), a company primarily engaged in equity investment, from August 2023 to June 2025 and, (2) Qixigu Cultural Communications (Beijing) Co., Ltd. (棲息谷文化傳播(北京)有限公司), a company primarily engaged in cultural communications, from May 2006 to July 2025. He has served as a chairman in Celebrand Asia Company Limited (銘品亞洲股份有限公司), a company primarily engaged in equity investment, since December 2010. From November 2023 to September 2025, Mr. Huang served as an executive director in Kunshan Jedic Electronic Co., Ltd. (昆山杰迪克電子有限公司), a company primarily engaged in electronic technology. He also served as an executive director in Suzhou OPC Photoelectric Co., Ltd. (蘇州歐匹希光電有限公司), a company primarily engaged in electronic technology, from November 2023 to February 2025. Prior to such experiences, from May 2011 to September 2020, Mr. Huang served as the chairman in Mingpin (Suzhou) Environmental Protection Technology Co., Ltd. (銘品(蘇州)環保科技有限公司), a company primarily engaged in environmental business. From December 2003 to May 2014, he served as the chairman in Seiko International (Taicang) Co., Ltd. (盛興環保資源(太倉)有限公司), a company primarily engaged in environmental business.

Despite Mr. Huang has held several positions in other companies, he is able to devote appropriately sufficient time to our Group's managements, for the following reasons: (1) Mr. Huang is an active entrepreneur with enriched experience in business management and operation. As disclosed above, over the past two decades, he had well achieved a balance of work by holding positions in various companies simultaneously; (2) Mr. Huang's roles and positions in other companies are unlikely to consume much of his time. As the president of Seiko International CO., LTD., and a chairman in Celebrand Asia Company Limited, Mr. Huang generally provides guidance on strategic planning of the relevant companies, and he is not involved in the day-to-day management work of such companies; and (3) Mr. Huang is mainly responsible for investor relationship and government related affairs. Mr. Sun and our other senior management team members are responsible for our other operational and management matters.

Mr. Huang obtained his bachelor's degree in management and information science from Josai International University (城西國際大學) in Japan in March 1996. In addition, he obtained a master's degree in commerce from the Graduate School of Takushoku University (拓殖大學大學院) in Japan in March 1998.

Non-executive Directors

Mr. Wang Zhongsheng (王忠生), aged 50, is our non-executive Director. Mr. Wang joined our Company in July 2012 as a middle-level salesperson and was appointed as a non-executive Director in April 2025. Mr. Wang is an employee Director, being primarily responsible for providing advice and opinions on matters concerning employees of our Group.

Prior to joining our Company, from May 2005 to June 2012, Mr. Wang worked in Fujian Jinjiang Tap Water Co., Ltd. (福建省晉江自來水股份有限公司), a state-owned joint stock company primarily engaged in tap water supply. From January 2000 to February 2003, Mr. Wang worked in Fujian Ton Yi Tinplate Co., Ltd. (福建統一馬口鐵有限公司), a company with limited liability primarily engaged in the production of tinplate.

Mr. Wang obtained an associate's degree in applied electronics from Zhangzhou Institute of Technology (漳州職業大學) in the PRC in July 1998.

Mr. Ye Hua (葉樺), aged 56, is our non-executive Director. Mr. Ye joined our Company in February 2020 as a Director. Mr. Ye is primarily responsible for the supervision of the management team and the protection of Shareholders' benefits.

Mr. Ye has served as a vice president in Chongqing Gaund Holding Group Co., Ltd. (重慶冠達控股集團有限公司), a company primarily engaged in finance business, since November 2018. Prior to that, from August 2011 to November 2018, Mr. Ye served as a vice president in Chongqing Gaund Century Cruises Ltd. (重慶冠達世紀遊輪有限公司), a company primarily engaged in tourism business. From July 2006 to August 2012, Mr. Ye served as a senior management member in Chongqing New Century Cruise Co., Ltd. (重慶新世紀遊輪股份有限公司), a company primarily engaged in tourism business. From November 2000 to November 2006, Mr. Ye served successively as a director of market research and development center, and a vice president Chongqing New Century International Travel Agency Co., Ltd. (重慶新世紀國際旅行有限公司), a company primarily engaged in tourism business.

Mr. Ye graduated from East China Normal University (華東師範大學) in Shanghai, the PRC in July 1991.

Independent Non-executive Directors

Dr. Li Xiaolin (李小琳), aged 47, is our independent non-executive Director, appointed in March 2021. Dr. Li is primarily responsible for providing independent advice on the operations and management of our Group.

Dr. Li is experienced in the computer technology. She has served as a professor in the business school of Nanjing University (南京大學), a reputable comprehensive university in Nanjing, the PRC, since December 2019. Prior to that, from December 2007 to December 2019, Dr. Li successively served as a lecturer and an associate professor in the school of business of Nanjing University.

Dr. Li obtained her bachelor's degree in computer software from Jilin University (吉林大學), China in July 1999. In addition, Dr. Li obtained her master's degree in computer application and doctorate's degree in computer software and theory from Jilin University (吉林大學) in Changchun, the PRC in June 2002 and December 2005, respectively.

Dr. Su Xinlong (蘇新龍), aged 61, is our independent non-executive Director, appointed in March 2021. Dr. Su is primarily responsible for providing independent advice on the operations and management of our Group.

Dr. Su is an expert in accounting. From August 2023 to May 2025, Dr. Su served as an independent director in Ande Zhilian Supply Chain Technology Co., Ltd. (安得智聯供應鏈科技股份有限公司), a company primarily engaged in the logistics industry. He has served as an independent non-executive director in Epiworld International Co., Ltd. (瀚天天成電子科技(廈門)股份有限公司), a company primarily engaged in the semiconductor industry and listed on the Stock Exchange (stock code: 2726), since May 2023. Prior to that, from April 1999 to July 2015, he successively served as an independent director, a vice general manager and a supervisor of Shanghai Chuangxing Resource Development Group Co., Ltd. (上海創興資源開發股份有限公司, "Chuangxing Resource"), a company listed on the Shanghai Stock Exchange (stock code: 600193), respectively. From December 2002 to May 2024, Dr. Su successively served as an associate professor and a professor in the department of business management of Xiamen University (廈門大學), a reputable comprehensive university in Xiamen, the PRC.

Dr. Su obtained his bachelor's degree in economics and master's degree in accounting from Xiamen University in July 1985 and July 1996, respectively. In addition, he obtained his doctorate's degree in management science and engineering from Wuhan University of Technology (武漢理工大學) in Wuhan, the PRC in December 2008.

Dr. Su was accredited as a certified public accountant in China in September 1994.

In August 2015, the CSRC issued an administrative penalty decision to Chuangxing Resource and Dr. Su, among others, as to the inaccuracy and incompleteness of a related party transaction announcement issued by Chuangxing Resource in 2012, when Dr. Su was its supervisor. Pursuant to the administrative penalty decision, Dr. Su was imposed a warning and a penalty of RMB50,000, which he has fully paid up. In such related party transaction, Chuangxing Resource failed to engage an asset appraisal agency with proper qualification engaging in securities business to conduct an asset appraisal specifically for this transaction, but instead relied on an asset appraisal made for a different purpose. Chuangxing Resource also failed to disclose in its announcement that the appraisal which it relied on was not conducted by an asset appraisal agency with proper qualification engaging in securities business and was not for such transaction specifically. Mr. Su was found to be liable for not raising the non-disclosure issue at Chuangxing Resource's meeting of the board of directors in May 2012 as a supervisor in attendance.

As of the Latest Practicable Date and to our best knowledge, this incident has been concluded and there has not been any further regulatory request to or action against Dr. Su from the Shanghai Stock Exchange, the CSRC or other competent authorities as to this incident. Considering (i) such incident has been concluded long before the commencement of the Track Record Period, (ii) Dr. Su was not involved in the decision-making and execution of the relevant transaction, (iii) Dr. Su has completed relevant trainings and reviewed rectification measures after receiving the decision letter, and (iv) there was no dishonesty, fraud or integrity-related issues from Dr. Su, our Company is of the view that such incident would not affect the suitability of Dr. Su as our Director under Rules 3.08 and 3.09 of the Listing Rules. Based on the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the foregoing Company's view on Dr. Su's suitability as a Director under Rules 3.08 and 3.09 of the Listing Rules in any material respect.

Mr. Chen Linwei (陳琳偉), aged 51, is our independent non-executive Director, appointed in April 2025. Mr. Chen is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Chen has been experienced in legal work. Mr. Chen has served as a director in Hong Kong Comtech Digital Technology Limited (香港科通數字設備有限公司), a company primarily engaged in the smart security equipment business, since October 2023. Prior to that, from December 2006 to July 2007, Mr. Chen worked in Micron Semiconductor (Xiamen) Co., Ltd. (美光(廈門)半導體有限公司), a company which was engaged in the semiconductor industry.

Mr. Chen obtained an associate's degree in public security from Fujian Police College (福建省公安幹部學校, which is currently known as 福建警察學校) in Fuijian Province, the PRC in September 1994.

SENIOR MANAGEMENT

Mr. Sun Longxi (孫龍喜), aged 48, is our founder, chairman of the Board, executive Director and general manager of our Company. See "— Board of Directors — Executive Directors" for his biographical details.

Mr. Huang Yuanzhong (黃遠忠), aged 47, is our vice general manager. Mr. Huang joined our Company in September 2006 as a regional manager and was appointed as a vice general manager in June 2015. Mr. Huang is responsible for the overall coordination of sales department, team building and the establishment of internal policies in relation to key performance indicators.

Mr. Huang has more than 20 years of experience in sales. Prior to joining our Company, from April 2004 to August 2005, Mr. Huang worked in Xiamen Xima Data Technology Co., Ltd. (廈門市西碼數據技術有限公司), a company which was primarily engaged in the computer and electronics business.

Mr. Huang obtained his associate's degree in financial accounting from Nanchang University (南昌大學) in Jiangxi Province, the PRC in June 2000.

Mr. Xu Lihua (徐麗華), aged 46, is our vice general manager. Mr. Xu joined our Company in June 2006 as a senior engineer and was appointed as a vice general manager in June 2015. Mr. Xu is primarily responsible for the management of the Company's daily operations, coordination and supervision of the administrative department and the supply chain department.

Mr. Xu has approximately 20 years of experience in the electronics related business.

Mr. Xu graduated from Fujian College of Water Conservancy Electric Power (福建水利電力學校) in Fujian Province, the PRC in July 2000.

Ms. Wu Yiting (吳怡婷), aged 42, is our Board secretary and joint company secretary. Ms. Wu joined our Company in March 2010 as a marketing manager and was appointed as our Board secretary in June 2015. Ms. Wu is primarily responsible for the investor relationship management and financing related business.

Prior to joining our Company, from August 2008 to March 2010, Ms. Wu worked in Xiamen Longtop Science & Technology Co., Ltd. (廈門東南融通在線科技有限公司), a company which was primarily engaged in the internet service business. From July 2005 to July 2006, Ms. Wu worked in Xiamen 35 Internet Technology Co., Ltd. (廈門三五互聯科技股份有限公司), a company primarily engaged in the internet service business.

Ms. Wu obtained her associate's degree in information management and information system from Xiamen University of Technology (廈門理工學院) in Xiamen, the PRC in July 2004. In addition, Ms. Wu obtained her bachelor's degree in Jiangxi University of Finance and Economics (江西財經大學) through remote learning in January 2013.

Mr. Li Bin (李斌), aged 44, is our chief financial officer. Mr. Li joined our Company in May 2015 as our chief financial officer. Mr. Li is responsible for the overall management of financial reporting.

Prior to joining our Company, from August 2011 to May 2015, Mr. Li worked in the Xiamen Branch of Jiangxi Lanhengda Chemical Co., Ltd. (江西藍恆達化工有限公司廈門分公司). From December 2007 to May 2011, Mr. Li worked in Zhongziyuan Network Service Co., Ltd. (廈門中資源網路服務有限公司). From May 2004 to April 2007, Mr. Li worked in Xiamen Tianjian Huatian Accounting Firm (廈門天健華天會計師事務所), a professional accounting firm in China providing assurance services.

Mr. Li obtained his bachelor's degree in economics from Shandong University of Finance and Economics (山東財經大學), which was previously known as Shandong University of Finance (山東財政學院) in Jinan, the PRC in July 2003. In addition, Mr. Li obtained his master's degree in accounting from Xiamen University in December 2019. Mr. Li was accredited as a certified public accountant in China in December 2012.

Each of our Directors and senior management members confirms with respect to himself or herself that he or she (i) had no other relationship with any Director, senior management or substantial Shareholder of our Company as at the Latest Practicable Date; (ii) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any stock exchange in Hong Kong and/or overseas; and (iii) there are no other matters concerning our Directors' appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

JOINT COMPANY SECRETARIES

Ms. Wu Yiting (吳怡婷), aged 42, is our Board secretary and upon the Listing a joint company secretary of our Company. See "— Senior Management" for her biographical details.

Ms. So Lai Shan (蘇麗珊), is a joint company secretary of our Company whose appointment will come into effect upon the Listing.

Ms. So has approximately 10 years of experience in the corporate services industry. Since May 2021, Ms. So has served as a Manager of Corporate Services in Vistra Corporate Services (HK) Limited, where she works with a team of professional staff to provide a full range of corporate services and listed company secretary services. Currently, she is a joint company secretary of Beijing Airdoc Technology Co., Ltd, a company listed on the Stock Exchange (stock code: 2251) and CIG Shanghai Co., Ltd., a company listed on the Stock Exchange (stock code: 6166), and a company secretary of Baiwang Co., Ltd., a company listed on the Stock Exchange (stock code: 6657) and Sheng Yuan Holdings Limited, a company listed on the Stock Exchange (stock code: 851). Prior to joining Vistra Corporate Services (HK) Limited, she worked in the Listing Department of an international corporate services provider and acted as the company secretary of C.banner International Holdings Limited, a Main Board listed company in Hong Kong (stock code: 1028); and the joint company secretary of China Hanking Holdings Limited, a Main Board listed company in Hong Kong (stock code: 3788), Greatview Aseptic Packaging Company Limited, a Main Board listed company in Hong Kong (stock code: 468), Jingrui Holdings Limited, a Main Board listed company in Hong Kong (stock code: 1862), Shanghai Jin Jiang Capital Company Limited, a Main Board listed company in Hong Kong (stock code: 2006), New Century Healthcare Holding Co. Limited, a Main Board listed company in Hong Kong (stock code: 1518) and Chiho Environmental Group Limited, a Main Board listed company in Hong Kong (stock code: 976) respectively.

Ms. So obtained a master of Corporate Governance from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong). She has been an associate member of The Chartered Governance Institute in United Kingdom and The Hong Kong Chartered Governance Institute since November 2014.

BOARD COMMITTEES

The Company has established three committees under the Board of Directors, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee consists of three Directors, namely Dr. Su Xinlong, Dr. Li Xiaolin and Mr. Ye Hua, with Dr. Su Xinlong currently serving as the chairman. Dr. Su Xinlong has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and have with terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration Committee

The Remuneration Committee consists of three Directors, namely Dr. Li Xiaolin, Dr. Su Xinlong and Mr. Sun Longxi, with Dr. Li Xiaolin currently serving as the chairlady. The Remuneration Committee is mainly responsible for evaluating the remuneration polices for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and have with terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Nomination Committee

The Nomination Committee consists of three Directors, namely Dr. Li Xiaolin, Dr. Su Xinlong and Mr. Sun Longxi, with Dr. Li Xiaolin currently serving as the chairlady. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and have with terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a board diversity policy (the "Board Diversity Policy") in order to enhance the effectiveness of our Board of Directors and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of Directors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board of Directors.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, computer software, applied electronics, accounting and philosophy. The Board of Directors is of the view that our Board satisfies the Board Diversity Policy. In addition, our Board of Directors has a wide range of age, ranging from 47 years old to 61 years old. One of our Directors is female. Our Board of Directors will also ensure that appropriate balance of gender diversity is achieved with reference to investors' expectation, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of the Board of Directors. After Listing, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Our Group is expected to comply with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, save for deviation from code provision C.2.1 of the Corporate Governance Code.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the responsibility between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, our Company does not have a separate chairman and the chief executive officer and Mr. Sun performs these two roles. The Board of Directors considers that vesting the roles of the chairman and the chief executive officer in Mr. Sun is beneficial to our Group for implementing its new business strategies given his abundant experience in the parking industry and longtime and substantive involvement in the day to day management and operation of our Group. In addition, the balance of power and authority is ensured by the operation of the Board of Directors and the senior management, which comprises experienced and capable individuals independent from Mr. Sun (except for Mr. Huang which entered into the joint control arrangements with Mr. Sun). The Board of Directors comprised two executive Directors, two non-executive Directors and three independent non-executive Directors as of the Latest Practicable Date and has a fairly strong independence element in its composition.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of our Directors and members of the senior management of our Company are determined by our Shareholders' meetings and our Board as appropriate in the form of salaries and bonuses. Our Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to our Company or discharging their duties in relation to the operations of our Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, our Shareholders' meetings and our Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

Our Company offers executive Directors, employee Director (who is a non-executive Director) and senior management members, who are our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. Our independent non-executive Directors receive compensation based on their responsibilities in the form of allowance.

The aggregate amounts of remuneration paid to our Directors for the three years ended December 31, 2023, 2024 and 2025, were approximately RMB0.6 million, RMB0.6 million and RMB0.8 million, respectively.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses but excluding commissions on sales generated by the relevant individuals) paid to the remaining five, five and four highest paid individuals for the three years ended December 31, 2023, 2024 and 2025, were approximately RMB4.2 million, RMB4.9 million and RMB3.0 million, respectively.

It is estimated that remuneration equivalent to approximately RMB0.9 million in aggregate will be paid to our Directors by our Company for the year ending December 31, 2026, based on the arrangements in force as of the date of the prospectus.

No remuneration was paid by our Company to our Directors or the five highest paid individuals as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISOR

The Company appointed CMBC International Capital Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise the Company in the following circumstances.

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(iii) where the Company proposes to use the proceeds of the Global Offering in a manner that is different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecasts, estimates or other information in this prospectus; and

(iv) where the Stock Exchange makes an inquiry of the Company regarding unusual movements in the price or trading volume of the Shares, the possible development of a false market in the Shares or any other matters.

The terms of the appointment of the compliance advisor will commence on the Listing Date and end on the date when the Company distributes the annual report of its financial results for the first full financial year commencing after the Listing Date.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that, as of the Latest Practicable Date, he or she did not have any interest in any business which competes, or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in April 2025; and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) that he/she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointment.

This section presents certain information regarding our share capital prior to and following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date and immediately prior to the Global Offering and the Conversion of Domestic Shares into H Shares, the registered and issued share capital of our Company was RMB91,010,329, comprising 91,010,329 Domestic Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING AND THE CONVERSION OF DOMESTIC SHARES INTO H SHARES

Immediately following completion of the Global Offering and the Conversion of Domestic Shares into H Shares, assuming that the Over-allotment Option is not exercised, the registered and issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the Global Offering
Domestic Shares	2,857,040	2.83%
H Shares to be converted from Domestic Shares	88,153,289	87.17%
H Shares to be issued under the Global Offering	10,112,280	10.00%
Total	101,122,609	100.0%

Immediately following completion of the Global Offering and the Conversion of Domestic Shares into H Shares, assuming that the Over-allotment Option is fully exercised, our registered and issued share capital will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the Global Offering
Domestic Shares	2,857,040	2.78%
H Shares to be converted from Domestic Shares	88,153,289	85.89%
H Shares to be issued under the Global Offering	11,629,080	11.33%
Total	102,639,409	100.0%

OUR SHARES

Upon completion of the Global Offering and the Conversion of Domestic Shares into H Shares, the Shares will consist of Domestic Shares and H Shares. Domestic Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons. Domestic Shares can only be subscribed for by and traded between legal or natural PRC persons, qualified foreign institutional investors and foreign strategic investors. H Shares may only be subscribed for and traded in Hong Kong dollars. Domestic Shares, on the other hand, may only be subscribed for and transferred in Renminbi. Domestic Shares and H Shares are regarded as one class of Shares under our Articles of Association. Our Domestic Shares are not listed or traded on any stock exchange.

RANKING

Save as described in this prospectus, Domestic Shares and H Shares shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of Domestic Shares are to be paid by us in Renminbi. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares, dividends in the form of Shares will be distributed in the form of additional H Shares. For holders of Domestic Shares, dividends in the form of Shares will be distributed in the form of additional Domestic Shares.

CONVERSION OF DOMESTIC SHARES INTO H SHARES

According to the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Amendment) (《H股公司境內未上市股份申請"全流通"業務指引(2023修正)》), or the Guidelines for the "Full Circulation", the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and the applicable guidelines for relevant regulatory rules, a domestic joint stock limited company that has not yet been listed may, at the time of its initial public offering and listing overseas, file with the CSRC for "full circulation" and submit authorization documents from shareholders of domestic unlisted shares and a commitment on the compliance with the acquisition regulations of shares.

According to stipulations made by the State Council's securities regulatory authority and the Articles of Association, our Domestic Shares may be converted into H Shares, and such converted H Shares may be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted Shares, the requisite internal approval processes have been duly completed and the approvals from the relevant PRC regulatory authorities, including the CSRC, and the relevant overseas stock exchange have been obtained. In addition, such conversion, trading and listing shall in all respects comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

The Conversion of Domestic Shares into H Shares will involve an aggregate of 88,153,289 Domestic Shares held by 20 existing Shareholders (the "Full Circulation Participating Shareholders"), representing 87.17% of total issued Shares upon completion of the Conversion of Domestic Shares into H Shares and the Global Offering (assuming the Over-allotment Option is not exercised). For details of the shareholding of the Full Circulation Participating Shareholders immediately before and after the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and the Conversion of Domestic Shares into H Shares, see "Appendix IV — Statutory and General Information — 1. Further Information about Our Company — C. Shareholding of the Existing Shareholders" in this prospectus.

If any other of the Domestic Shares are to be converted, listed and traded as H Shares on the Stock Exchange, such conversion, listing and trading will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange. We may apply for the listing of all or any portion of the Domestic Shares on the Stock Exchange as H Shares to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register of members. Approval of Shareholders at a general meeting is not required for the listing and trading of the converted Shares on an overseas stock exchange.

Listing Review and Approval by the CSRC

In accordance with the Guidelines for Applying "Full Circulation" for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請"全流通"業務指引) and Trial Administrative Measures and relevant five guidelines announced by the CSRC, H-share listed companies which apply for the conversion of domestic unlisted shares into H shares for listing and circulation on the Stock Exchange shall conform to relevant regulations promulgated by the CSRC, and authorize the company to file with the CSRC on their behalf.

Our Company applied for a "Full Circulation" with the CSRC on April 30, 2025, and submitted the application reports, authorization documents of the Shareholders of Domestic Shares for which an H-share "Full Circulation" was applied, commitment about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

Listing Approval by the Stock Exchange

We have applied to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from 88,153,289 Domestic Shares, which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the Conversion of Domestic Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our H Share Registrar regarding the relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. The Full Circulation Participating Shareholders may only deal in the H Shares upon completion of the domestic procedures as disclosed in this section.

Domestic Procedures

The Full Circulation Participating Shareholders may only deal in the H Shares upon completion of the below procedures for the registration, deposit and transaction settlement in relation to the conversion and listing:

i. We will appoint CSDC as the nominal holder to deposit the relevant securities at China Securities Depository and Clearing (Hong Kong) Co., Ltd. (the "CSDC (Hong Kong)"), which will then deposit the securities at HKSCC in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;

ii. We will engage a domestic securities company (the "Domestic Securities Company") to provide services such as the transmission of sale orders and trading messages in respect of the converted H Shares. The Domestic Securities Company will engage a Hong Kong securities company (the "Hong Kong Securities Company") for the settlement of transactions. We will make an application to CSDC, Shenzhen Branch for the maintenance of a detailed record of initial holding of the converted H Shares. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be provided by CSDC, Shenzhen Branch as authorized by Shenzhen Stock Exchange (the "SZSE");

iii. The SZSE shall authorize Shenzhen Securities Communication Co., Ltd. to provide services relating to transmission of trading orders and trading messages in respect of the converted H Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the converted H Shares;

iv. According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (國家外匯管理局關於境外上市外匯管理有關問題的通知), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before they sell any converted H Shares. After completing such overseas shareholding registration, the Full Circulation Participating Shareholders shall open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share "Full Circulation" at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share "Full Circulation" at the Hong Kong Securities Company; and

v. The Full Circulation Participating Shareholders shall submit trading orders with respect to the converted H Shares through the Domestic Securities Company. Such trading orders of the Full Circulation Participating Shareholders will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the Conversion of Domestic Shares into H Shares, shareholding of the Full Circulation Participating Shareholders in our Domestic Share capital shall be reduced by the number of Domestic Shares converted, and the number of H Shares shall be increased by the number of converted H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING

The PRC Company Law provides that in relation to the public offering of a company, the shares issued prior to the public offering shall not be transferred within a period of one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares issued by our Company prior to the Listing Date shall be subject to this statutory restriction and not be transferred within a period of one year from the Listing Date.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請"全流通"業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration in accordance with the relevant business rules of CSDC. And H-share companies should submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDC.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders' general meeting is required, please see "Appendix III — Summary of Articles of Association — Shareholders' General Meeting" in this prospectus.

To the best of our Directors' knowledge and information, the following persons will, immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at any general meeting of our Company:

		As of the Latest Practicable Date		Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised)			
Shareholder	Nature of interest	Number of Domestic Shares	Approximate percentage of shareholding in the total issued share capital of our Company	Number of Shares	Description of Shares(1)	Approximate percentage of shareholding in our Domestic Shares/ H Shares (as appropriate) (1)	Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Sun	Beneficial owner	23,996,383	26.37%	23,996,383	H Shares	24.42%	23.73%
	Interest held jointly with another person(2)	21,787,340	23.94%	21,787,340	H Shares	22.17%	21.55%
	Interest in controlled corporation(3)	3,039,684	3.34%	3,039,684	H Shares	3.09%	3.00%
Mr. Huang	Beneficial owner	21,787,340	23.94%	21,787,340	H Shares	22.17%	21.55%
	Interest held jointly with another person(2)	23,996,383	26.37%	23,996,383	H Shares	24.42%	23.73%
	Interest in controlled corporation(3)	3,039,684	3.34%	3,039,684	H Shares	3.09%	3.00%
Hualong Electronics	Beneficial owner	3,039,684	3.34%	3,039,684	H Shares	3.09%	3.00%
	Interest held jointly with another person(2)	45,783,723	50.31%	45,783,723	H Shares	46.59%	45.28%
Mr. Peng Jianhu (彭建虎)	Beneficial Owner	5,541,520	6.09%	2,857,040	Domestic Shares	100%	2.83%
				2,684,480	H Shares	2.73%	2.65%
	Interest in controlled corporation; interest held jointly with another person(4)	3,981,946	4.38%	3,981,946	H Shares	4.38%	3.94%
Chongqing Jiatuo Tiancheng Enterprise Management Partnership (Limited Partnership) (重慶加拓添成企業管理合夥企業(有限合夥)) ("Jiatuo Tiancheng")	Beneficial Owner	3,981,946	4.38%	3,981,946	H Shares	4.38%	3.94%
	Interest held jointly with another person(4)	5,541,520	6.09%	2,857,040	Domestic Shares	100%	2.83%
				2,684,480	H Shares	2.73%	2.65%
Tu Posu (塗珀溯)	Interest in controlled corporation(4)	3,981,946	4.38%	3,981,946	H Shares	4.38%	3.94%
Linzhi Lixin Information Technology Co., Ltd. (林芝利新信息技術有限公司) ("Linzhi Lixin")	Beneficial owner	5,603,521	6.16%	5,603,521	H Shares	5.70%	5.54%
Tencent Holdings Limited ("Tencent")	Interest in controlled corporation(5)	7,699,281	8.46%	7,699,281	H Shares	7.84%	7.61%

		As of the Latest Practicable Date		Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised)			
Shareholder	Nature of interest	Number of Domestic Shares	Approximate percentage of shareholding in the total issued share capital of our Company	Number of Shares	Description of Shares[1]	Approximate percentage of shareholding in our Domestic Shares/ H Shares (as appropriate) [1]	Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Xu Lihua (徐麗華)	Interest in controlled corporation[6]	7,651,010	8.34%	7,651,010	H Shares	7.79%	7.57%

(1) For the avoidance of doubt, both Domestic Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

(2) As of the Latest Practicable Date, Mr. Sun, Mr. Huang and Hualong Electronics were acting in concert. Under the SFO, Mr. Sun, Mr. Huang and Hualong Electronics was deemed to be interested in the entire interest held by each other.

(3) As of the Latest Practicable Date, Hualong Electronics was owned by Mr. Huang and Mr. Sun as to 51% and 49%, respectively. Under the SFO, Mr. Huang and Mr. Sun were deemed to be interested in the entire Shares held by Hualong Electronics. See "Appendix IV — Statutory and General Information — 1. Further Information about Our Company — C. Shareholding of the Existing Shareholders" for the respective numbers of Domestic Shares and H Shares held by the relevant controlled corporation immediately before and after the completion of the Global Offering and the Conversion of Domestic Shares into H Shares.

(4) As of the Latest Practicable Date, Tu Posu was the sole general partner of Jiatuo Tiancheng holding 0.07% of partnership interest in Jiatuo Tiancheng, and Mr. Peng Jianhu was a limited partner holding 92.11% of partnership interest in Jiatuo Tiancheng. In addition, Mr. Peng Jianhu and Jiatuo Tiancheng have been acting in concert. Therefore, under the SFO, Peng Jianhu and Tu Posu are deemed to be interested in the Shares held by Jiatuo Tiancheng, and Jiatuo Tiancheng is deemed to be interested in the Shares held by Mr. Peng Jianhu.

(5) As of the Latest Practicable Date, Linzhi Lixin and Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)) ("Suzhou Paiyi") directly held 5,603,521 Shares and 2,095,760 Shares, respectively. Both general partners of Linzhi Lixin and Suzhou Paiyi are the subsidiaries of Tencent. Therefore, Tencent is deemed to be interested in the 7,699,281 Shares held by Linzhi Lixin and Suzhou Paiyi in aggregate for the purpose of Part XV of the SFO.

(6) As of the Latest Practicable Date, Xiamen Suming Enterprise Management Consulting Partnership (Limited Partnership) (廈門速銘企業管理諮詢合夥企業(有限合夥)) ("Xiamen Suming"), Xiamen Juhua Enterprise Management Consulting Partnership (Limited Partnership) (廈門聚鏵企業管理諮詢合夥企業(有限合夥)) ("Xiamen Juhua"), Xiamen Tuojuxin Enterprise Management Consulting Partnership (Limited Partnership) (廈門拓聚鑫企業管理諮詢合夥企業(有限合夥)) ("Xiamen Tuojuxin") and Xiamen Tuojulian Enterprise Management Consulting Partnership (Limited Partnership) (廈門拓聚連企業管理諮詢合夥企業(有限合夥)) ("Xiamen Tuojulian") directly held 3,292,718 Shares, 3,230,457 Shares, 1,010,329 Shares and 117,506 Shares, respectively. Mr. Xu Lihua was the sole general partner of each of Xiamen Suming, Xiamen Juhua, Xiamen Tuojuxin and Xiamen Tuojulian. Therefore, Mr. Xu Lihua is deemed to be interested in the 7,651,010 Shares held by Xiamen Suming, Xiamen Juhua, Xiamen Tuojuxin and Xiamen Tuojulian in aggregate for the purpose of Part XV of the SFO.

Save as disclosed above and in "Appendix IV — Statutory and General Information" of this prospectus, our Directors are not aware of any person who will, immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (and the offering of any additional H Shares pursuant to the exercise of the Over-allotment Option), have an interest or short position in the Shares or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of our Group.

You should read the following discussion and analysis in conjunction with our historical financial information, including the notes thereto included in the Accountants' Report set out in Appendix I to this prospectus. You should read the entire Accountants' Report in Appendix I to this prospectus and not rely merely on the information contained in this section. The Accountants' Report has been prepared in accordance with the IFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed "Forward-looking Statements" and "Risk Factors" in this prospectus.

OVERVIEW

We are a smart parking space operator facilitating the transformation of urban parking. Since our inception in 2006, we have evolved into a parking industry group that integrates smart parking systems, smart parking management services, and parking facility and platform operations. According to the CIC Report, we rank No. 2 in China's smart parking space operation industry with a market share of 3.3% in terms of relevant revenue in 2024[*].

We experienced steady growth during the Track Record Period. Our smart parking systems, smart parking management services, and parking facility and platform operations are applied across a growing number of scenarios and geographical regions globally. We also have seen a notable improvement in our financial performance. Our revenue increased by 8.3% from RMB738.0 million in 2023 to RMB799.5 million in 2024, and further increased by 3.9% to RMB830.6 million in 2025. We had net profit of RMB87.0 million, RMB86.7 million and RMB93.7 million in 2023, 2024 and 2025, respectively, and adjusted net profit (non-IFRS measure) of RMB89.4 million, RMB91.7 million and RMB121.9 million in the same years, respectively. See "Financial Information — Discussion of Major Profit or Loss Items — Non-IFRS Measure" for a reconciliation of our profit and total comprehensive income for the year to adjusted net profit (non-IFRS measure).

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been, and are expected to continue to be, affected by the general factors affecting the smart parking space operation industry, including, among others, overall economic growth in China and globally, increasing urban traffic congestion and the gap between parking supply and demand, widespread adoption of technologies, awareness of sustainability and environmental concerns and the competitive landscape of smart parking space operators. Changes in these factors would have a significant effect on the demand for our smart parking offerings, and in turn, our business and prospects.

Despite the general factors mentioned above, we believe our results of operations are more directly affected by the following specific factors.

* China's smart parking space operation industry is relatively fragmented, with the top five players accounting for an aggregate market share of 17.4% in terms of smart parking space operation revenue in 2024. The largest and third largest smart parking space operators in China has a market share of 6.1% and 3.1% in terms of relevant revenue in 2024, respectively.

Ability to Strengthen Our Customer Base

Our success largely hinges on our ability to attract and retain a diverse customer base. In 2023, 2024 and 2025, we served an aggregate of 22,497, 26,616 and 30,644 parking facilities, respectively. We need to maintain our relationship with existing customers while expanding their usage of our offerings to further grow our business. To that end, we primarily leverage our integrated business portfolio and robust operating capabilities. We also plan to continue to develop new business models and offer additional value-added services to extend the lifetime value of our customers. Approximately 40% of the parking facilities we served during the Track Record Period utilized more than one of our three business lines of smart parking offerings, demonstrating our capabilities in cross-selling multiple products and services and deepening customer engagement. Furthermore, we will refine our customer services to continue to drive customer satisfaction and retention. To support our sustainable growth, we also need to acquire new customers and collaborate with an increasing number of parking facilities.

By expanding our presence across various geographical locations and enhancing our marketing efforts, we can target potential customers more effectively. We target to further penetrate in the lower-tier cities in the southeastern coastal region of China, where we have established market presence, and cover additional provincial capital cities in central and western China. We also plan to explore and capture the fast-growing opportunities in the global smart parking space operation industry. Currently, we are strategically focusing on serving the emerging markets, including Southeast Asia and the Middle East, to gradually expand our market presence in these markets. We also expect to enter into more established overseas markets in the medium to long term. We view global expansion as an important growth strategy to increase our revenue and improve profitability. However, expanded global reach will require continued investments and may expose us to additional risks of foreign exchanges, international taxes and tariffs and other risks and uncertainties that may impact our ability to grow our business.

Change in Offering Mix

Our offering mix affects our results of operations, especially our overall profit margin. We began providing smart parking systems in 2006 and have been continuing to enrich and develop our business portfolio. Leveraging our integrated smart parking systems comprising hardware, cloud-based software systems and user-end applications, we first assist customers in upgrading and transforming their parking facilities. To capture our customers' evolving demands, we have extended our business to cover smart parking management services and parking facility and platform operations. As we analyze customer preferences and emerging industry requirements, we may further adjust our product and service mix to align with these trends. As a result of our strategic focus on growing our parking facility and platform operations business, our total revenue continuously increased during the Track Record Period. In particular, revenue generated from our parking facility and platform operations was RMB96.9 million, RMB124.2 million and RMB175.1 million in 2023, 2024 and 2025, respectively, accounting for 13.1%, 15.5% and 21.1% of our total revenue in the same years, respectively. We expect that the rapid development of this business line will continue to drive the growth of our total revenue.

The shift in our revenue structure during the Track Record Period led to fluctuations in our profitability, as our profit margins vary across different offerings. As we continue to explore new business models, we may experience increased volatility in profitability. However, as we establish standardized practices in collaboration with parking facilities, we anticipate achieving economies of scale over time along with optimal operating and cost efficiency. Any future change in our offering mix or variation in the profit margin of any business line may have a corresponding impact on our overall gross profit margin.

Ability to Innovate Our Technology and Business

Innovation is at the core of our business model. To capitalize on the opportunities from the fast-evolving demands and better compete with peer companies, we believe it is critical to continuously innovate our underlying technology and infrastructure, as well as to develop and introduce new products and services that enhance customer experience and optimize our operational efficiency. For example, we have launched *YongCe Pro*, which enables us to effectively coordinate and manage multiple parking facilities and enhance our operational capabilities. To that end, we have invested and expect to continue to invest substantial resources in our R&D efforts, including to retain and incentivize our R&D talents. We recorded research and development expenses of RMB42.6 million, RMB45.0 million and RMB44.3 million in 2023, 2024 and 2025, respectively, representing 5.8%, 5.6% and 5.3% of our total revenue in the same years, respectively.

We will continue to refine our technological expertise and increase our investments in AI to drive its large-scale commercial application in parking scenarios. We will also continue to focus on building core competencies and assembling dedicated R&D teams. These initiatives may impact our short-term profitability. However, in the long run, our strategic focus on technology and innovation will continue to create entry barriers and enhance our market leadership, which in turn will enable us to further increase our revenue and strengthen our financial performance. Going forward, we expect our research and development expenses to remain increase in absolute terms, while its percentage of total revenue will remain stable or gradually decrease as we benefit from the scale effects.

Ability to Manage Our Cost Structure and Improve Operating Efficiency

Our ability to effectively control our costs and expenses while achieving expected business growth is critical to our profitability. During the Track Record Period, our cost of sales primarily consisted of product costs, labor costs and depreciation and amortization. As we keep enhancing production processes and boosting capacity and output, we seek to reduce scale-driven costs and improve cost efficiency. Moreover, the deepening use of AI agents serves to further enhance our services and operations, therefore effectively controlling our labor costs on an ongoing basis. Furthermore, we recorded contracting fees under our cost of sales relating to our contract operation model. As we plan to work with an increasing number of parking facilities under this model, we expect contracting fees to continue to increase in absolute terms in the near future.

In addition, our business and results of operations are affected by our operating expense structure, which primarily comprises administrative expenses, selling expenses and research and development expenses. For example, we recorded selling expenses of RMB154.1 million, RMB159.5 million and RMB153.8 million in 2023, 2024 and 2025, respectively, representing 20.9%, 20.0% and 18.5% of our total revenue in the same years, respectively. Going forward, we will continue to allocate our resources to sales and marketing efforts that enable us to enhance our brand recognition and expand our customer base in an effective manner. As we expand our business, we believe we can leverage our established team and accumulated experience to improve our operating efficiency and maintain our administrative expenses as a percentage of total revenue at a relatively stable or gradually decreasing level over time, benefiting from economies of scale.

Seasonality

Our business is subject to seasonal fluctuations, which are relatively pronounced in our smart parking systems business. We believe that our quarterly sales are affected by industry buying patterns. Customers in our industry typically tend to formulate their annual budget and procurement plans in the first half of each year, while project contracting and execution are typically performed and completed in the second half, leading to higher revenue generated during such period. In addition, the Chinese New Year holiday often marks a low season for our operations. We expect to remain subject to seasonal fluctuations for the foreseeable future. As a result, our operating and financial metrics for an interim period may not be representative of our overall performance. Changes in seasonal trends may cause fluctuations in our results of operations and financial condition.

BASIS OF PREPARATION AND PRESENTATION

Our historical financial information has been prepared in accordance with all applicable IFRSs as issued by the International Accounting Standards Board. For the purpose of preparing our historical financial information, we have adopted all applicable new and revised IFRSs consistently throughout the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period.

See Note 1 of the Accountants' Report in Appendix I to this prospectus for details on our basis of preparation and presentation.

MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND ASSUMPTIONS

We have identified certain accounting policies that we believe are the most significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgment relating to accounting items. In each case, the determination of these items requires management judgment based on information and financial data that may change in future periods. In particular, we believe that (1) our material accounting policies in relation to revenue and other income, property, plant and equipment, leased assets, credit losses and impairment of assets, and inventories, as detailed in Note 2 to the Accountants' Report in Appendix I to this prospectus, and (2) our accounting judgments and estimates as set forth in Note 3 to the Accountants' Report, are important for understanding our results of operations and financial condition. When reviewing our financial statements, you should consider our selection of material accounting policies, the judgment and other uncertainties affecting the application of such policies, and the sensitivity of reported results to changes in conditions and assumptions.

DISCUSSION OF MAJOR PROFIT OR LOSS ITEMS

The following table sets forth our consolidated statements of profit and loss and other comprehensive income for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)					
Revenue	**738,015**	**100.0**	**799,511**	**100.0**	**830,615**	**100.0**
Cost of sales	(395,295)	(53.6)	(432,576)	(54.1)	(445,406)	(53.6)
Gross profit	**342,720**	**46.4**	**366,935**	**45.9**	**385,209**	**46.4**
Other net income	39,783	5.4	19,494	2.4	21,235	2.6
Selling expenses	(154,136)	(20.9)	(159,509)	(20.0)	(153,838)	(18.5)
Administrative expenses	(63,632)	(8.6)	(65,237)	(8.2)	(91,353)	(11.0)
Research and development expenses	(42,613)	(5.8)	(45,029)	(5.6)	(44,346)	(5.3)
Impairment loss on investment properties	(3,236)	(0.4)	(884)	(0.1)	(1,114)	(0.1)
Impairment loss on other non-current assets	(924)	(0.1)	(867)	(0.1)	(330)	(0.0)
Impairment loss on trade receivables and contract assets	(12,362)	(1.7)	(9,588)	(1.2)	(2,846)	(0.3)
Impairment loss on bill receivables and other receivables	(191)	(0.0)	(3,025)	(0.4)	(1,528)	(0.2)
Profit from operations	**105,409**	**14.3**	**102,290**	**12.8**	**111,089**	**13.4**
Finance costs	(3,451)	(0.5)	(1,629)	(0.2)	(2,937)	(0.4)
Share of net profits/(losses) of associates and a joint venture	271	0.0	(1,761)	(0.2)	(178)	(0.0)
Profit before taxation	**102,229**	**13.9**	**98,900**	**12.4**	**107,974**	**13.0**
Income tax	(15,199)	(2.1)	(12,191)	(1.5)	(14,296)	(1.7)
Profit and total comprehensive income for the year	**87,030**	**11.8**	**86,709**	**10.8**	**93,678**	**11.3**
Attributable to:						
Equity shareholders of our Company	91,876	12.4	90,093	11.3	97,173	11.7
Non-controlling interests	(4,846)	(0.6)	(3,384)	(0.5)	(3,495)	(0.4)
Profit and total comprehensive income for the year	**87,030**	**11.8**	**86,709**	**10.8**	**93,678**	**11.3**

Non-IFRS Measure

To supplement our consolidated results of operations which are presented in accordance with the IFRSs, we use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRSs. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRSs. In addition, such non-IFRS financial measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measure used by other companies. Our presentation of non-IFRS measure should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items.

We define adjusted net profit (non-IFRS measure) as profit and total comprehensive income for the year adjusted for equity-settled share-based payment expenses and Listing expenses together with related income tax. Equity-settled share-based payment expenses represent the non-cash employee benefit expenses incurred in connection with our share incentive schemes. Such expenses in any specific period are not expected to result in future cash payments. Listing expenses were incurred in connection with our preparation for the Global Offering. The following table reconciles our adjusted net profit (non-IFRS measure) with profit and total comprehensive income for the year presented under IFRSs.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands, except for percentages)		
Profit and total comprehensive income for the year	**87,030**	**86,709**	**93,678**
Adjusted for:			
Equity-settled share-based payment expenses	2,383	4,978	5,153
Listing expenses	—	—	27,096
Income tax in relation to Listing expenses	—	—	(4,064)
Adjusted net profit (non-IFRS measure)	**89,413**	**91,687**	**121,863**

Revenue

During the Track Record Period, we generated revenue primarily from our smart parking offerings to parking facility owners and operators, including smart parking systems, smart parking management services and parking facility and platform operations. The following table sets forth a breakdown of our revenue by business line for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Smart parking systems	452,568	61.3	478,876	59.9	477,937	57.5
Smart parking management services	186,853	25.3	194,726	24.4	176,068	21.2
Parking facility and platform operations	96,873	13.1	124,227	15.5	175,064	21.1
Others[(1)]	1,721	0.3	1,682	0.2	1,546	0.2
Total	**738,015**	**100.0**	**799,511**	**100.0**	**830,615**	**100.0**

(1) Others primarily included rental income.

Revenue from smart parking systems was primarily generated from the sales of smart parking hardware and software systems and related implementation and maintenance services. Our revenue generated from smart parking systems increased from 2023 to 2024 in line with our expanding portfolio of parking facilities under this business line, which increased from 11,723 in 2023 to 12,213 in 2024. Our revenue generated from smart parking systems remained relatively stable in 2024 and 2025, while the number of parking facilities served increased from 12,213 to 14,704 during the same years, primarily due to a decrease in revenue from sales of hardware products as a result of the gradual shift of market demand from construction of new parking facilities to upgrades of existing facilities on an as-needed basis amid the slowdown in China's real estate industry, offset by increased revenue from service-type warranty services and implementation services relating to deployment, commissioning and maintenance services for existing customers.

Revenue from smart parking management services was primarily generated from fixed monthly service fees or service fees generated under a revenue-sharing mechanism based on a predetermined percentage of the parking facility's revenue. The increase in revenue generated from smart parking management services from 2023 to 2024 was in line with our expanding portfolio of parking facilities under this business line, which increased from 4,603 in 2023 to 4,890 in 2024. Our smart parking management services served 4,890 and 4,519 parking facilities in 2024 and 2025, respectively, and recorded a decrease in related revenue during the same years, primarily because (1) a substantial number of contracts entered into five or more years ago reached expiration, with the number of new and renewed facilities temporarily falling short of those that expired and (2) customers, especially renewed customers, tended to choose lighter-asset or lower-tier service packages, including selecting service packages requiring fewer hardware products or engaging us only for remote kiosk agent services while using their legacy or self-purchased equipment, resulting in lower contract values.

Revenue from parking facility and platform operations was primarily generated from (1) integrated operations, including contract operation and off-peak usage collaboration, (2) value-added operations, including charging station collaboration, parking voucher collaboration and advertising collaboration, and (3) platform operations, including online parking fee payment platform, i.e., *Speed Parking (速停車)*, and online parking space rental platform. See "Business — Our Offerings." Specifically, under contract operation model, we are generally able to retain all revenue from operations or share revenue that exceeds a designated threshold with parking facility owners. In certain cases, we may also request a minimum income plus revenue-sharing model. Our revenue generated from parking facility and platform operations increased both in absolute amount and as a percentage of our total revenue during the Track Record Period, driven by our continued efforts to grow our parking facility and platform operations business, especially our contract operation model and parking voucher collaboration model.

The following table sets forth a breakdown of our revenue by nature under each business line for the years indicated. For the revenue recognition policies, see Note 2(t) to the Accountants' Report in Appendix I to this prospectus.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Smart parking systems						
— Sales of hardware products	320,666	43.4	289,383	36.2	264,159	31.8
— Implementation services	112,624	15.3	159,278	19.9	167,662	20.2
— SaaS arrangements	2,840	0.4	4,479	0.6	6,974	0.8
— Service-type warranty services	16,438	2.2	25,736	3.2	39,142	4.7
	452,568	**61.3**	**478,876**	**59.9**	**477,937**	**57.5**
Smart parking management services	**186,853**	**25.3**	**194,726**	**24.4**	**176,068**	**21.2**

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Parking facility and platform operations						
Contract operation[1]	37,709	5.1	47,286	5.9	95,738	11.5
— Parking services	21,081	2.9	24,909	3.1	66,087	8.0
— Other services	16,628	2.3	22,377	2.8	29,652	3.6
Off-peak usage collaboration	16	—	114	—	354	0.0
Charging station collaboration	818	0.1	5,040	0.6	3,110	0.4
Parking voucher collaboration	2,327	0.3	6,765	0.8	16,807	2.0
Advertising collaboration	5,835	0.8	11,886	1.5	13,098	1.6
Online parking fee payment platform	50,013	6.8	53,067	6.6	42,903	5.2
Online parking space rental platform	—	—	—	—	3,040	0.4
Others	155	—	69	—	14	0.0
	96,873	**13.1**	**124,227**	**15.5**	**175,064**	**21.1**
Other sources						
Gross rentals from investment properties[2]						
— Lease payments that are fixed or depend on an index or a rate	1,721	0.3	1,682	0.2	1,546	0.2
Total	**738,015**	**100.0**	**799,511**	**100.0**	**830,615**	**100.0**

(1) Parking services included contract operation model where we generated revenue solely from a revenue-sharing model with no minimum income. Other services included contract operation model where we adopted a minimum income plus revenue-sharing model.

Under the contract operation with a minimum income plus revenue-sharing model, we provide services to owners of the parking facilities to support their operations, who retain control over the operations of the parking facilities, including parking service offerings and parking fee levels. Under such model, we act as an agent to collect the parking fees from users of the parking facilities on behalf of the customers, i.e., parking facility owners, and recognize service fee revenue on a net basis. In contrast, under contract operation without minimum income, we are more directly involved in the operations of the parking facilities and derive revenue directly from parking facility users, i.e., vehicle owners and drivers. Although both arrangements relate to parking facility operations, they differ in terms of the contractual arrangements, our role in the transaction, the extent of control over the operations and the related revenue allocation model, resulting in different revenue presentation and recognition treatments.

(2) Our investment property primarily represented properties held to generate returns. Gross rentals from investment properties primarily derived from the partial leasing of our self-constructed facilities and the leasing of other properties purchased by us.

The follow table sets forth a breakdown of our revenue by major parking facility category for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Commercial properties	217,376	29.5	274,003	34.3	261,553	31.5
Residential communities	202,260	27.4	188,437	23.6	172,471	20.8
Industrial parks	50,990	6.9	52,680	6.6	59,931	7.2
Office buildings	50,412	6.8	48,817	6.1	51,818	6.2
Public facilities and agencies[1]	37,376	5.1	31,792	4.0	50,169	6.0
On-street parking	7,908	1.1	25,287	3.2	19,906	2.4
Hotels	19,754	2.7	19,898	2.5	19,423	2.3
Scenic destinations	21,127	2.9	17,972	2.2	23,694	2.9
Hospitals	18,442	2.5	14,961	1.9	21,849	2.6
Standalone parking structures	11,784	1.6	11,367	1.4	18,487	2.2
Transportation hubs	11,125	1.5	8,373	1.0	11,007	1.3
Educational institutions	7,340	1.0	7,337	0.9	7,151	0.9
Ground-floor commercial spaces	3,997	0.5	4,814	0.6	5,235	0.6
Others[2]	78,124	10.6	93,773	11.7	107,921	13.0
Total	**738,015**	**100.0**	**799,511**	**100.0**	**830,615**	**100.0**

(1) Public facilities and agencies refer to governmental authorities and various types of publicly funded facilities such as museums, cultural and art centers, and convention and exhibition centers.

(2) Others primarily included revenue primarily generated from electronic payments and advertisements, which cannot be attributed to a specific parking facility. Revenue generated from electronic payments represented the difference between the standard rates charged to parking facilities and the discounted payment processing rates obtained from third-party payment platforms together with commissions. In 2023, 2024 and 2025, we generated revenue from electronic payments of RMB26.9 million, RMB30.7 million and RMB34.4 million, respectively; and generated revenue from advertisements of RMB23.4 million, RMB29.3 million and RMB19.6 million, respectively. Others also included revenue generated from sales of our smart parking systems where the category of the installed parking facilities cannot be determined, as well as revenue generated from *Speed Parking* membership services, electronic invoicing services and other miscellaneous services, all of which cannot be attributed to a specific parking facility.

The follow table sets forth a breakdown of our revenue by geographic location for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Eastern China[1]	362,897	49.2	372,736	46.6	410,255	49.4
Southern China[2]	88,971	12.1	88,941	11.1	95,394	11.5
Central China[3]	75,235	10.2	67,309	8.4	75,023	9.0
Northern China[4]	74,056	10.0	66,991	8.4	66,949	8.1
Southwestern China[5]	86,004	11.7	92,358	11.6	81,733	9.8
Northwestern China[6]	18,319	2.5	21,579	2.7	23,582	2.8
Northeastern China[7]	24,051	3.3	22,495	2.8	43,712	5.3
Asia[8]	6,688	0.9	63,154	7.9	29,379	3.5
Europe	773	0.1	1,635	0.2	2,450	0.3
Others[9]	1,021	0.1	2,313	0.3	2,138	0.3
Total	**738,015**	**100.0**	**799,511**	**100.0**	**830,615**	**100.0**

(1) Eastern China included Shanghai, Jiangsu province, Zhejiang province, Anhui province, Fujian province, Jiangxi province and Shandong province.

(2) Southern China included Guangdong province, Guangxi province, and Hainan province.

(3) Central China included Hunan province, Hubei province, and Henan province.

(4) Northern China included Beijing, Tianjin, Hebei province, Shanxi province, and Inner Mongolia autonomous region.

(5) Southwestern China included Sichuan province, Chongqing, Guizhou province, Yunnan province, and Tibet autonomous region.

(6) Northwestern China included Shaanxi province, Gansu province, Qinghai province, Ningxia Hui autonomous region, and Xinjiang Uygur autonomous region.

(7) Northeastern China included Liaoning province, Jilin province, and Heilongjiang province.

(8) Asia included Hong Kong, Macao Special Administrative Region, Taiwan region and other countries and regions in Asia.

(9) Others included African countries such as Kenya, Egypt, Nigeria, Ghana, Ethiopia, Mauritius, the Democratic Republic of the Congo, Morocco, and Niger; South American countries such as Brazil, Peru, Ecuador, Colombia, and Paraguay; North American countries such as the United States, Mexico, Guatemala, and Canada; and Australia in Oceania.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Product costs	167,582	42.4	165,177	38.2	157,042	35.3
Labor costs	80,781	20.4	101,171	23.4	105,971	23.8
Depreciation and amortization	43,293	11.0	43,372	10.0	34,214	7.7
Construction costs	25,554	6.5	31,842	7.4	26,067	5.9
Contracting fees	10,410	2.6	15,374	3.6	48,825	11.0
Mobile payment commissions	13,174	3.3	13,814	3.2	15,197	3.4
Maintenance costs	9,825	2.5	13,155	3.0	11,844	2.7
Others[(1)]	44,676	11.3	48,671	11.3	46,246	10.4
Total	**395,295**	**100.0**	**432,576**	**100.0**	**445,406**	**100.0**

(1) Others primarily consisted of server costs, logistics costs and other miscellaneous costs.

Our cost of sales primarily consisted of (1) product costs, which primarily included the costs of equipment, raw materials, production personnel and other items involved in the production activities for our smart parking hardware products, (2) labor costs, which primarily included salaries, bonuses, social insurance and other benefits for our technical and customer support staff and project management personnel, as well as service fees paid to parking facility contract workers under the contract operation model, (3) depreciation and amortization relating to the hardware products installed in parking facilities under our smart parking management services and parking facility and platform operations businesses and the associated construction costs, (4) construction costs, representing the costs associated with the installation of our smart parking hardware and software systems and on-site construction activities, (5) contracting fees paid to parking facility owners under the contract operation model of our parking facility and platform operations business, (6) mobile payment commissions charged by third-party payment platforms in connection with parking fees, and (7) maintenance costs relating to parts and components used in operations and maintenance activities.

The following table sets forth a breakdown of our cost of sales by business line for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Smart parking systems	263,519	66.7	274,236	63.4	258,768	58.1
Smart parking management services	78,700	19.9	88,371	20.4	81,314	18.3
Parking facility and platform operations	52,561	13.3	69,459	16.1	104,820	23.5
Others	515	0.1	510	0.1	504	0.1
Total	**395,295**	**100.0**	**432,576**	**100.0**	**445,406**	**100.0**

Cost of sales in relation to our smart parking systems primarily included (1) product costs, (2) labor costs for our technical support staff and project management personnel in connection with the installation and maintenance services for our smart parking systems, and (3) construction costs, representing the costs associated with construction materials and on-site construction contract workers for our smart parking systems.

Cost of sales in relation to our smart parking management services primarily included (1) depreciation and amortization, and (2) labor costs for our technical and customer support staff and project management personnel for our smart parking management services.

Cost of sales in relation to our parking facility and platform operations primarily included (1) mobile payment commissions, (2) contracting fees, and (3) depreciation and amortization.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Smart parking systems	189,049	41.8	204,640	42.7	219,169	45.9
Smart parking management services	108,153	57.9	106,355	54.6	94,754	53.8
Parking facility and platform operations	44,312	45.7	54,768	44.1	70,244	40.1
Others	1,206	70.1	1,172	69.7	1,042	67.4
Total	**342,720**	**46.4**	**366,935**	**45.9**	**385,209**	**46.4**

The following table sets forth a breakdown of our gross profit and gross profit margin by nature under each business line for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Smart parking systems						
— Sales of hardware products	128,961	40.2	110,980	38.4	105,375	39.9
— Implementation services	45,156	40.1	72,466	45.5	82,314	49.1
— SaaS arrangements	1,082	38.1	1,564	34.9	2,668	38.3
— Service-type warranty services	13,850	84.3	19,630	76.3	28,812	73.6
	189,049	**41.8**	**204,640**	**42.7**	**219,169**	**45.9**
Smart parking management services	**108,153**	**57.9**	**106,355**	**54.6**	**94,754**	**53.8**
Parking facility and platform operations						
— Parking services[1]	2,317	11.0	914	3.7	1,462	2.2
— Other services[2]	41,995	55.4	53,854	54.2	68,782	63.1
	44,312	**45.7**	**54,768**	**44.1**	**70,244**	**40.1**
Other sources						
Gross rentals from investment properties						
— Lease payments that are fixed or depend on an index or a rate	1,206	70.1	1,172	69.7	1,042	67.4
Total	**342,720**	**46.4**	**366,935**	**45.9**	**385,209**	**46.4**

(1) Parking services included contract operation model where we generated revenue solely from a revenue-sharing model with no minimum income.

(2) Other services included contract operation model where we adopted a minimum income plus revenue-sharing model, as well as other operational models under the parking facility and platform operations business, including off-peak usage collaboration, charging station collaboration, parking voucher collaboration, advertising collaboration, online parking fee payment platform and online parking space rental platform.

The gross profit margin of our implementation services increased from 40.1% in 2023 to 45.5% in 2024, primarily because we undertook an increasing number of renovation projects instead of new construction in 2024, leading to lower constructions costs. Specifically, new construction refers to previously vacant sites developed into buildings with new parking facilities, which also requires the procurement and installation of equipment, local networks, entrance and exit points, and other ancillary infrastructure. Renovation projects, on the other hand, involve upgrading existing parking facilities that usually leverage manual labor or obsolete parking systems, where certain infrastructure can be retained, thereby saving substantial construction costs. Such gross profit margin further increased to 49.1% in 2025, primarily due to the increased sales of smart parking systems that provide for payment in installments, which allows for greater pricing flexibility and therefore typically carries relatively higher gross profit margins. The gross profit margin of our service-type warranty services decreased from 84.3% in 2023 to 76.3% in 2024 and further to 73.6% in 2025, primarily due to an increase in the number of projects that required on-site inspection and maintenance services under paid maintenance contracts, as compared to projects under warranty where on-site services are required only when customers report equipment issues and therefore carried higher margins.

The follow table sets forth a breakdown of our gross profit and gross profit margin by major parking facility category for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Commercial properties	114,601	52.7	145,539	53.1	145,743	55.7
Residential communities	97,111	48.0	92,885	49.3	85,274	49.4
Industrial parks	26,540	52.0	27,034	51.3	31,903	53.2
Office buildings	25,876	51.3	25,127	51.5	28,698	55.4
Public facilities and agencies	21,952	58.7	16,057	50.5	12,182	24.3
On-street parking	2,090	26.4	7,618	30.1	1,535	7.7
Hotels	10,732	54.3	11,027	55.4	11,464	59.0
Scenic destinations	11,884	56.3	10,231	56.9	11,938	50.4
Hospitals	9,760	52.9	8,050	53.8	10,979	50.3
Standalone parking structures	6,256	53.1	6,135	54.0	9,634	52.1
Transportation hubs	6,180	55.5	4,076	48.7	5,789	52.6
Educational institutions	3,932	53.6	3,996	54.5	3,549	49.6
Ground-floor commercial spaces	2,232	55.9	2,394	49.7	2,331	44.5
Others	3,573	4.6	6,766	7.2	24,190	22.4
Total	**342,720**	**46.4**	**366,935**	**45.9**	**385,209**	**46.4**

The gross profit margin for public facilities and agencies decreased from 2024 to 2025, primarily because we undertook an international airport parking facility project with a relatively low profit margin during its ramp-up stage. The gross profit margin for on-street parking was relatively lower compared to that of other parking facility categories, primarily because on-street parking management services required a higher level of manpower investments. The gross profit margin for on-street parking was 7.7% in 2025, primarily due to losses incurred during the ramp-up stage of certain on-street parking management services projects.

The follow table sets forth a breakdown of our gross profit and gross profit margin by geographic location for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Eastern China	146,463	40.4	147,536	39.6	183,808	44.8
Southern China	49,578	55.7	47,919	53.9	54,979	57.6
Central China	41,953	55.8	37,150	55.2	40,400	53.9
Northern China	35,416	47.8	31,445	46.9	34,145	51.0
Southwestern China	45,366	52.7	44,884	48.6	33,600	41.1
Northwestern China	9,374	51.2	11,110	51.5	13,456	57.1
Northeastern China	10,961	45.6	10,674	47.5	6,246	14.3
Asia	2,283	34.1	33,376	52.9	15,345	52.2
Europe	593	76.7	1,197	73.2	1,718	70.1
Others	733	71.8	1,644	71.0	1,513	70.8
Total	**342,720**	**46.4**	**366,935**	**45.9**	**385,209**	**46.4**

Our gross profit margin in northeastern China was 14.3% in 2025, primarily due to the international airport parking facility project discussed above.

Selling Expenses

During the Track Record Period, our selling expenses primarily consisted of (1) employee benefit expenses, primarily including salaries, bonuses, social insurance and other benefits for our sales and marketing personnel, (2) office expenses, (3) travel and hospitality expenses incurred in our sales and marketing initiatives, and (4) marketing promotion expenses.

The following table sets forth a breakdown of our selling expenses for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Employee benefit expenses	119,591	77.6	125,547	78.6	124,277	80.7
Office expenses	13,269	8.6	13,654	8.6	12,399	8.1
Travel and hospitality expenses	7,163	4.6	7,666	4.8	5,929	3.9
Marketing promotion expenses	5,538	3.6	3,608	2.3	3,112	2.0
Others[1]	8,575	5.6	9,034	5.7	8,121	5.3
Total	**154,136**	**100.0**	**159,509**	**100.0**	**153,838**	**100.0**

(1) Others primarily consisted of depreciation and amortization, vehicle and transportation expenses and other miscellaneous expenses.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (1) employee benefit expenses, primarily including salaries, bonuses, social insurance and other benefits for our general and administrative personnel and senior management, including equity-settled share-based payment expenses, (2) depreciation and amortization of buildings and land use rights allocated to our general and administrative functions, (3) office expenses, (4) travel and hospitality expenses, (5) professional service fees incurred for our previous A-share listing attempts and in the ordinary course of business (for details, see "History, Development and Corporate Structure — Previous A-Share Listing Attempts"), such as audit fees and legal fees, and (6) Listing expenses incurred in connection with our preparation for the Global Offering.

The following table sets forth a breakdown of our administrative expenses for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Employee benefit expenses	41,327	64.9	42,283	64.8	42,256	46.3
Depreciation and amortization	5,959	9.4	6,145	9.4	6,840	7.5
Office expenses	4,224	6.6	4,007	6.1	5,365	5.9
Travel and hospitality expenses	1,521	2.4	2,216	3.4	3,378	3.7
Professional service fees	5,481	8.6	4,851	7.4	2,711	3.0
Listing expenses	—	—	—	—	27,096	29.7
Others[1]	5,120	8.1	5,736	8.9	3,707	4.2
Total	**63,632**	**100.0**	**65,237**	**100.0**	**91,353**	**100.0**

(1) Others primarily consisted of property and land use taxes associated with our office premises and other miscellaneous expenses.

Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (1) employee benefit expenses, primarily including salaries, bonuses, social insurance and other benefits for our R&D personnel, and (2) R&D materials, primarily including expenses for raw materials and fees paid to third-party cloud service providers, both in connection with our R&D activities.

The following table sets forth a breakdown of our research and development expenses for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Employee benefit expenses	37,213	87.3	39,951	88.7	40,692	91.8
R&D materials	1,898	4.5	2,143	4.8	1,327	3.0
Others[1]	3,502	8.2	2,935	6.5	2,327	5.2
Total	**42,613**	**100.0**	**45,029**	**100.0**	**44,346**	**100.0**

(1) Others primarily consisted of depreciation and amortization, contract R&D expenses, office expenses and other miscellaneous expenses.

Other Net Income

Other net income primarily consisted of (1) government grants from local governments to support our business and R&D activities or in recognition of our contribution to local economies, (2) net foreign exchange gain or loss, (3) net fair value changes on financial assets measured at fair value through profit or loss, (4) interest income from our bank deposits and long-term receivables, (5) net gain on disposal of property, plant and equipment, such as smart parking hardware products used for our smart parking management services and parking facility and platform operations businesses, (6) net gain on disposal of an associate, and (7) net gain on early termination of a parking facility contract operation agreement in 2023.

The following table sets forth a breakdown of our other net income for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Government grants	18,332	13,405	14,148
Net foreign exchange (loss)/gain	(91)	(262)	5
Net fair value changes on financial assets measured at fair value through profit or loss	436	1,409	826
Interest income	3,098	3,432	3,258
Net gain on disposal of property, plant and equipment	3,718	2,032	3,290
Net gain on early termination of a parking facility operation contract	14,230	—	—
Others	60	(522)	(292)
Total	**39,783**	**19,494**	**21,235**

Impairment Loss on Trade Receivables and Contract Assets

Our impairment loss on trade receivables and contract assets was RMB12.4 million, RMB9.6 million and RMB2.8 million in 2023, 2024 and 2025, respectively. See "— Discussion of Major Balance Sheet Items — Trade and Other Receivables" and "— Discussion of Major Balance Sheet Items — Contract Assets."

Income Tax Expense

We recorded income tax expense of RMB15.2 million, RMB12.2 million and RMB14.3 million in 2023, 2024 and 2025, respectively.

Pursuant to the PRC Enterprise Income Tax Law and related regulations, enterprises which operate in China are generally subject to enterprise income tax at a statutory rate of 25% on the taxable profit, while enterprises recognized as an HNTE are entitled to a preferential tax rate of 15%. Our Company and Keytop R&D were qualified HNTEs and entitled to a preferential income tax rate of 15% during the Track Record Period. One of our subsidiaries, Keytop West Communications Technology Co., Ltd., was eligible for the tax concession under the Western Development policy in China, entitling it to a preferential tax rate of 15% for 2024 and 2025. In addition, some of our subsidiaries were also qualified as small-and-micro enterprises and subject to preferential tax treatments of a reduced enterprise income tax rate of 20% and a 75% deduction of their annual assessable profits. In addition, qualified research and development expenses are eligible for additional deduction when calculating assessable profits for income tax purpose. According to the two-tiered profits tax rate regime introduced in Hong Kong, the first HK$2 million of assessable profits earned by a company will be taxed at 8.25% whilst the remaining assessable profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one company in the group to benefit from the progressive rates. For details of the preferential tax treatments we enjoyed during the Track Record Period, see Note 7 in the Accountants' Report set out in Appendix I to this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we had paid all relevant taxes when due and there were no matters in dispute or unresolved with the relevant tax authorities.

Profit for the Year

We had net profit of RMB87.0 million, RMB86.7 million and RMB93.7 million in 2023, 2024 and 2025, respectively, representing a net profit margin of 11.8%, 10.8% and 11.3% for the same years, respectively.

Adjusted Net Profit (Non-IFRS Measure)

We had adjusted net profit (non-IFRS Measure) of RMB89.4 million, RMB91.7 million and RMB121.9 million in 2023, 2024 and 2025, respectively, representing an adjusted net profit margin (non-IFRS Measure) of 12.1%, 11.5% and 14.7% for the same years, respectively. See "— Non-IFRS Measure" for a reconciliation of our profit and total comprehensive income for the year to our adjusted net profit (non-IFRS measure).

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 3.9% from RMB799.5 million in 2024 to RMB830.6 million in 2025 for the following reasons.

- ***Smart parking systems***. Our revenue from smart parking systems remained stable at RMB478.9 million and RMB477.9 million in 2024 and 2025, respectively, primarily due to a decrease in revenue from sales of hardware products as a result of the gradual shift of market demand from construction of new parking facilities to upgrades of existing facilities on an as-needed basis amid the slowdown in China's real estate industry, offset by increased revenue from service-type warranty services and implementation services relating to deployment, commissioning and maintenance services for existing customers.

- ***Smart parking management services***. Our revenue from smart parking management services decreased by 9.6% from RMB194.7 million in 2024 to RMB176.1 million in 2025, primarily because (1) a substantial number of contracts entered into five or more years ago reached expiration, with the number of new and renewed facilities temporarily falling short of those that expired, leading to a decrease in the number of parking facilities served from 4,890 to 4,519 during the same periods and (2) certain customers, especially renewed customers, tended to choose lighter-asset or lower-tier service packages, including selecting service packages requiring fewer hardware products or engaging us only for remote kiosk agent services while using their legacy or self-purchased equipment, resulting in lower contract values.

- ***Parking facility and platform operations***. Our revenue from parking facility and platform operations increased by 40.9% from RMB124.2 million in 2024 to RMB175.1 million in 2025, primarily due to our continued efforts to grow our contract operation model and other operational models, which led to an increased number of parking facilities served from 18,823 in 2024 to 22,504 in 2025.

Cost of sales

Our cost of sales increased by 3.0% from RMB432.6 million in 2024 to RMB445.4 million in 2025 for the following reasons.

- ***Smart parking systems***. Our cost of sales in relation to smart parking systems decreased by 5.6% from RMB274.2 million in 2024 to RMB258.8 million in 2025, primarily due to a decrease in product costs generally in line with the decreased revenue from sales of hardware products, partially offset by increases in labor costs associated with on-site inspection and maintenance services and server costs to support our expanding pool of parking facilities.

- ***Smart parking management services***. Our cost of sales in relation to smart parking management services decreased by 8.0% from RMB88.4 million in 2024 to RMB81.3 million in 2025, primarily due to a decrease in depreciation and amortization as a result of the completion of hardware depreciation following the expiration of service terms for certain contracts, partially offset by an increase in labor costs associated with on-street parking management services.

- ***Parking facility and platform operations***. Our cost of sales in relation to parking facility and platform operations increased by 50.9% from RMB69.5 million in 2024 to RMB104.8 million in 2025, primarily due to increases in contracting fees in connection with the growth in contract operation model, and in labor costs, electricity charges for charging stations and other miscellaneous costs to support our business.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 5.0% from RMB366.9 million in 2024 to RMB385.2 million in 2025. Our gross profit margin remained relatively stable at 45.9% and 46.4% in 2024 and 2025, respectively, for the following reasons.

- ***Smart parking systems***. The gross profit of our smart parking systems increased by 7.1% from RMB204.6 million in 2024 to RMB219.2 million in 2025. The corresponding gross profit margin increased from 42.7% in 2024 to 45.9% in 2025, primarily because we offered an increased proportion of service-type warranty services, which have relatively higher gross profit margins.

- ***Smart parking management services***. The gross profit of our smart parking management services decreased by 10.9% from RMB106.4 million in 2024 to RMB94.8 million in 2025. The corresponding gross profit margin remained relatively stable at 54.6% in 2024 and 53.8% in 2025.

- ***Parking facility and platform operations.*** The gross profit of our parking facility and platform operations increased by 28.3% from RMB54.8 million in 2024 to RMB70.2 million in 2025. The corresponding gross profit margin decreased from 44.1% in 2024 to 40.1% in 2025, primarily because (1) the operational scale of our contract operation model continued to expand, which typically carries a relatively lower gross profit margin as compared to other operational models under the parking facility and platform operations business, and we served certain parking facilities under the contract operation model that had relatively lower profit margins in 2025, such as an international airport parking facility project we undertook since 2025, which had a relatively lower profit margin as the project was in its ramp-up stage, (2) we incurred upfront investment in expanding charging station collaboration model, with costs outpacing revenue growth, and (3) a reduced revenue contribution from online advertising, which generally yields higher margins.

Selling expenses

Our selling expenses decreased by 3.6% from RMB159.5 million in 2024 to RMB153.8 million in 2025, primarily as a result of our cost control measures.

Administrative expenses

Our administrative expenses increased by 40.0% from RMB65.2 million in 2024 to RMB91.4 million in 2025, primarily because we incurred Listing expenses of RMB27.1 million in our consolidated statements of profit or loss and other comprehensive income in connection with the Global Offering.

Research and development expenses

Our research and development expenses remained relatively stable at RMB45.0 million and RMB44.3 million in 2024 and 2025, respectively, primarily due to an increase in employee benefit expenses as a result of increased R&D headcount, offset by decreases in other research and development expenses.

Other net income

Our other net income remained relatively stable at RMB19.5 million and RMB21.2 million in 2024 and 2025, respectively.

Impairment loss on trade receivables and contract assets

Our impairment loss on trade receivables and contract assets decreased by 70.3% from RMB9.6 million in 2024 to RMB2.8 million in 2025, primarily due to a decrease in the balances of trade receivables and contract assets as a result of our enhanced collection efforts, as well as a reduction in the expected credit loss rate, leading to lower impairment.

Income tax expense

Our income tax expense increased by 17.3% from RMB12.2 million in 2024 to RMB14.3 million in 2025, primarily due to an increase in deferred tax expenses.

Profit for the year

As a result of the foregoing, our net profit increased by 8.0% from RMB86.7 million in 2024 to RMB93.7 million in 2025, representing a net profit margin of 10.8% and 11.3% for the same years, respectively.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 8.3% from RMB738.0 million in 2023 to RMB799.5 million in 2024 for the following reasons.

- ***Smart parking systems***. Our revenue from smart parking systems increased by 5.8% from RMB452.6 million in 2023 to RMB478.9 million in 2024, primarily due to an increase in the number of parking facilities served from 11,723 in 2023 to 12,213 in 2024 as a result of our product development and customer acquisition efforts.

- ***Smart parking management services***. Our revenue from smart parking management services increased by 4.2% from RMB186.9 million in 2023 to RMB194.7 million in 2024, primarily due to an increase in the number of parking facilities served from 4,603 in 2023 to 4,890 in 2024 as a result of our customer acquisition efforts.

- ***Parking facility and platform operations***. Our revenue from parking facility and platform operations increased by 28.2% from RMB96.9 million in 2023 to RMB124.2 million in 2024, primarily due to our continued efforts to grow our parking facility and platform operations business, especially our contract operation model, leading to a significant increase in the number of parking facilities thereunder.

Cost of sales

Our cost of sales increased by 9.4% from RMB395.3 million in 2023 to RMB432.6 million in 2024 for the following reasons.

- ***Smart parking systems***. Our cost of sales in relation to smart parking systems increased by 4.1% from RMB263.5 million in 2023 to RMB274.2 million in 2024, primarily due to increases in product costs and construction costs generally in line with the business growth.

- ***Smart parking management services***. Our cost of sales in relation to smart parking management services increased by 12.3% from RMB78.7 million in 2023 to RMB88.4 million in 2024, primarily due to an increase in associated labor costs as we recruited additional employees to support our trial of on-street parking management services since late 2023.

- ***Parking facility and platform operations***. Our cost of sales in relation to parking facility and platform operations increased by 32.2% from RMB52.6 million in 2023 to RMB69.5 million in 2024, primarily due to an increase in contracting fees, which was generally in line with the growth of our contract operation model.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 7.1% from RMB342.7 million in 2023 to RMB366.9 million in 2024. Our gross profit margin decreased from 46.4% in 2023 to 45.9% in 2024 for the following reasons.

- ***Smart parking systems***. The gross profit of our smart parking systems increased by 8.3% from RMB189.0 million in 2023 to RMB204.6 million in 2024. The corresponding gross profit margin increased from 41.8% in 2023 to 42.7% in 2024, primarily due to our cost optimization measures in raw material procurement and improved production efficiency as we achieve economies of scale.

- ***Smart parking management services***. The gross profit of our smart parking management services remained relatively stable at RMB108.2 million and RMB106.4 million in 2023 and 2024, respectively. The corresponding gross profit margin decreased from 57.9% in 2023 to 54.6% in 2024, primarily due to our trial of on-street parking management services which require a higher level of manpower investments and impact the overall profitability. Moving forward, we will exercise prudence in providing on-street services and will focus more on services for enclosed facilities, which have a more efficient management structure.

- ***Parking facility and platform operations***. The gross profit of our parking facility and platform operations increased by 23.6% from RMB44.3 million in 2023 to RMB54.8 million in 2024. The gross profit margin of our parking facility and platform operations decreased from 45.7% in 2023 to 44.1% in 2024, primarily because we served certain parking facilities under the contract operation model that had relatively lower profit margins.

Selling expenses

Our selling expenses increased by 3.5% from RMB154.1 million in 2023 to RMB159.5 million in 2024, primarily due to an increase in employee benefit expenses for our sales and marketing personnel due to increased headcount and enhanced sales performance.

Administrative expenses

Our administrative expenses increased by 2.5% from RMB63.6 million in 2023 to RMB65.2 million in 2024, primarily due to an increase in employment benefit expenses for general and administrative personnel as we recorded increased equity-settled share-based payment expenses.

Research and development expenses

Our research and development expenses increased by 5.7% from RMB42.6 million in 2023 to RMB45.0 million in 2024, primarily due to an increase in employee benefit expenses due to increases in both headcount and compensation level to support our R&D initiatives.

Other net income

Our other net income decreased by 51.0% from RMB39.8 million in 2023 to RMB19.5 million in 2024, primarily due to (1) compensation arising from early termination of a parking facility contract operation agreement of RMB14.2 million in 2023, and (2) a decrease in government grants.

Impairment loss on trade receivables and contract assets

Our impairment loss on trade receivables and contract assets decreased by 22.4% from RMB12.4 million in 2023 to RMB9.6 million in 2024 as we enhanced our collection efforts.

Income tax expense

Our income tax expense decreased by 19.8% from RMB15.2 million in 2023 to RMB12.2 million in 2024, primarily due to a decrease in tax effect of deductible temporary differences or unused tax losses not recognized.

Profit for the year

As a result of the foregoing, our net profit remained relatively stable at RMB87.0 million and RMB86.7 million in 2023 and 2024, respectively, representing a net profit margin of 11.8% and 10.8% for the same years, respectively.

DISCUSSION OF MAJOR BALANCE SHEET ITEMS

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
Non-current assets			
Property, plant and equipment	189,997	180,795	233,583
Investment properties	21,763	22,519	22,078
Right-of-use assets	47,374	104,274	100,856
Intangible assets	395	319	178
Interests in associates	10,457	8,697	—
Trade receivables	29,456	43,026	52,287
Deferred tax assets	55,013	51,926	47,620
Other non-current assets	6,178	7,949	88,243
	360,633	**419,505**	**544,845**
Current assets			
Inventories	62,940	66,647	53,033
Contract assets	74,977	87,046	118,212
Other current assets	118,113	224,360	147,308
Trade and other receivables	332,939	322,718	287,714
Prepayments	13,153	27,338	22,989
Financial assets measured at fair value through profit or loss	—	—	215
Restricted bank deposits	35,551	26,796	61,003
Cash and cash equivalents	190,384	164,339	190,675
	828,057	**919,244**	**881,149**
Current liabilities			
Trade and other payables	213,334	212,645	181,089
Contract liabilities	77,109	104,853	102,119
Bank loans	10,011	29,508	3,061
Lease liabilities	15,631	30,693	17,341
Current taxation	7,162	4,705	6,797
	323,247	**382,404**	**310,407**
Net current assets	**504,810**	**536,840**	**570,742**
Total assets less current liabilities	**865,443**	**956,345**	**1,115,587**
Non-current liabilities			
Bank loans	—	—	68,679
Lease liabilities	15,243	33,991	33,788
Deferred income	5,757	5,645	5,534
	21,000	**39,636**	**108,001**
NET ASSETS	**844,443**	**916,709**	**1,007,586**
CAPITAL AND RESERVES			
Share capital	91,010	91,010	91,010
Reserves	753,389	828,460	924,142
Total equity attributable to equity shareholders of the Company	**844,399**	**919,470**	**1,015,152**
Non-controlling interests	44	(2,761)	(7,566)
TOTAL EQUITY	**844,443**	**916,709**	**1,007,586**

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (1) properties and buildings, which mainly included our office premises and production facilities, (2) operational equipment, which mainly represented equipment used for our smart parking management services and parking facility and platform operations businesses, such as smart parking hardware and systems and charging stations, (3) vehicles, (4) office equipment, such as computers and other IT equipment, servers, and office furniture, (5) machinery and other equipment, including power equipment, production equipment, handling equipment, testing equipment and other machineries used in production activities, (6) construction in progress, which included our production facility under construction, and new parking facilities under construction primarily relating to our smart parking management services business, and (7) leasehold improvements.

The following table sets forth a breakdown of the net book value of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Properties and buildings	68,221	65,297	62,373
Operational equipment	94,289	80,532	65,605
Vehicles	4,217	3,849	3,417
Office equipment	2,339	1,781	1,807
Machinery and other equipment	1,795	1,771	1,593
Construction in progress	4,692	17,055	84,138
Leasehold improvements	14,444	10,510	14,650
Total	**189,997**	**180,795**	**233,583**

Our property, plant and equipment decreased from December 31, 2023 to December 31, 2024, primarily due to decreases in operational equipment, leasehold improvements and properties and buildings as a result of routine depreciation, partially offset by an increase in construction in progress as we initiated the construction of our production facility. Our property, plant and equipment increased to December 31, 2025, primarily due to an increase in construction in progress as the construction of our production facility advanced, partially offset by a decrease in operational equipment as more projects reached maturity and fewer new projects required significant equipment input in 2025, in addition to routine depreciation.

Investment Properties

Our investment properties primarily represented properties held to generate returns, such as rental income from operating leases or income from resale. We had investment property of RMB21.8 million, RMB22.5 million and RMB22.1 million as of December 31, 2023, 2024 and 2025, respectively. Our investment property remained relatively stable during the Track Record Period, primarily due to an increase in the number of properties we held, partially offset by routine depreciation.

Right-of-use Assets

Our right-of-use assets primarily included (1) parking facilities under our contract operation model, (2) properties and buildings that served as our office premises, (3) leasehold land for the construction of our new office building and production facility, and (4) others. The following table sets forth a breakdown of the net book value of our right-of-use assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Parking facilities	14,638	60,954	46,625
Properties and buildings	18,756	18,364	13,558
Leasehold land	13,167	24,865	40,646
Others	813	91	27
Total	**47,374**	**104,274**	**100,856**

Our right-of-use assets increased from December 31, 2023 to December 31, 2024, primarily due to increases in (1) parking facilities due to the increased scale of our contract operation model and (2) leasehold land as a result of our purchase of one parcel of land for the construction of our office building. Our right-of-use assets decreased to December 31, 2025, primarily due to a decrease in parking facilities primarily due to the expiration or termination of certain contract operation projects in addition to routine depreciation, partially offset by newly added projects, as well as decreased properties and buildings as a result of routine depreciation, partially offset by an increase in leasehold land in anticipation of a new office building.

Trade and Other Receivables

Our trade and other receivables primarily consisted of (1) trade receivables and bill receivables, representing amounts due from our customers, which was primarily relating to our smart parking systems and smart parking management services businesses, (2) deposits, primarily representing bidding and performance bonds; (3) VAT recoverable, and (4) other receivables. We had trade and other receivables of RMB362.4 million, RMB365.7 million and RMB340.0 million as of December 31, 2023, 2024 and 2025, respectively, including current and non-current portions and net of loss allowance of RMB71.1 million, RMB77.5 million and RMB72.9 million, respectively. The following table sets forth the details of our trade and other receivables as of the dates indicated, net of loss allowance.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Non-current:			
Trade receivables, net of loss allowance			
— third parties	29,330	42,802	52,243
— related parties	126	224	44
Total non-current	**29,456**	**43,026**	**52,287**
Current:			
Trade receivables, net of loss allowance			
— third parties	282,545	253,621	210,278
— related parties	7,376	6,982	6,896
Bill receivables	16,271	11,456	5,295
Deposits	4,141	17,941	22,056
VAT recoverable	8,428	15,065	26,324
Other receivables	14,178	17,653	16,865
Total current	**332,939**	**322,718**	**287,714**
Total	**362,395**	**365,744**	**340,001**

Our non-current trade receivables increased during the Track Record Period, primarily due to the increased sales of smart parking systems that provide for payment in installments. Our current trade and other receivables decreased from December 31, 2023 to December 31, 2024, primarily due to decreases in trade receivables and bill receivables for reasons discussed above, partially offset by increases in (1) deposits primarily in connection with an international airport parking facility project and parking voucher procurements that required performance bonds and (2) VAT recoverable due to additional recoverable input tax as a result of increased investments in our new production facility and contracting fees for parking facilities under our contract operation model. Our current trade and other receivables further decreased to December 31, 2025, primarily due to decreases in (1) trade receivables as a result of our enhanced collection efforts and more stringent prepayment requirements based on customer credentials and (2) bill receivables as a result of a change in settlement method from bills to cash payments by certain customer as well as a decrease in the purchase amounts from customers that typically settled by bills, partially offset by an increase in VAT recoverable primarily attributable to input tax recognized upon receipt of invoices for certain contract operation projects, as well as additional input tax arising from construction in progress.

We had trade receivables of RMB319.4 million, RMB303.6 million and RMB269.5 million as of December 31, 2023, 2024 and 2025, respectively, including current and non-current portions and net of loss allowance. The amounts were generally in line with the scale of our smart parking systems and smart parking management services businesses. In particular, such amounts decreased during the Track Record Period, reflecting our enhanced collection efforts and more stringent prepayment requirements based on customer credentials.

The following table sets forth a breakdown of our gross trade receivables by customer type as of the dates indicated.

	As of December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Construction contractors	212,812	54.9	187,798	49.9	132,911	39.5
Property management companies	60,902	15.7	71,791	19.1	77,077	22.9
Real estate companies	39,110	10.1	34,153	9.1	32,748	9.7
Commercial management companies	29,129	7.5	31,210	8.3	27,779	8.3
Parking management companies	23,691	6.1	26,171	7.0	25,737	7.7
Public sector customers[1]	8,380	2.2	8,152	2.2	8,444	2.5
Individuals and individual businesses	961	0.2	2,013	0.5	3,085	0.9
Others	12,654	3.3	14,886	4.0	28,601	8.5
Total	**387,639**	**100.0**	**376,174**	**100.0**	**336,382**	**100.0**

(1) Public sector customers primarily included public facility management companies, urban and transportation investment companies, park and scenic area management authorities, healthcare institutions and educational institutions.

During the Track Record Period, we implemented differentiated credit policies for customers under different business lines. For smart parking systems, we generally granted a credit period from three to six months. For smart parking management services, payments were collected in accordance with specific contract terms with no credit period granted. For other businesses, no separate credit periods were granted, and payments were considered overdue if customers failed to settle after project acceptance.

The following table sets forth our trade receivables turnover days for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Trade receivables turnover days[(1)]	156	142	126
Trade receivables and contract assets turnover days[(2)]	190	179	171

(1) The trade receivables turnover days are calculated by dividing the average of opening and closing balances of trade receivables, net of loss allowance, for the relevant period by the revenue for the same year, multiplied by the number of calendar days in the relevant year.

(2) The trade receivables and contract assets turnover days are calculated by dividing the average of opening and closing balances of trade receivables and contract assets, net of loss allowance, for the relevant period by the revenue for the same year, multiplied by the number of calendar days in the relevant year.

During the Track Record Period, our trade receivables turnover days were generally in line with the credit periods we offered to customers. Our trade receivables turnover days decreased during the Track Record Period as a result of our enhanced collection efforts and adoption of more stringent prepayment requirements based on customer credentials, and the increase in revenue. We seek to maintain strict control over our outstanding receivables and have dedicated personnel to perform ongoing credit evaluation of our customers and minimize credit risk. Such credit evaluation includes assessment of credit quality of these customers, which takes into account their financial position, past settlement records, nature of business, and industry characteristics, among other factors. Our senior management regularly reviews our overdue balances. We have set up a receivables collection system with designated collection team to oversee the collection of receivables. In addition, our sales personnel closely follow up with our customers on payment status in order to facilitate collection efficiency. We also urge local teams to raise the proportion of prepayments or even request full prepayments in order to effectively control our credit risk exposure. Furthermore, we conduct credit evaluation for new customers before signing contracts and regularly assess the credit standing of existing customers and adjust their credit ratings and prepayment requirements accordingly. We have implemented customer credit management rules to strictly control the contracts signing and product dispatch for customers with poor credit ratings. For customers who refuse to pay despite our repeated collection notices, we may consider ceasing further transactions with such customers or taking legal action.

The following table sets forth an aging analysis of our current trade receivables based on the date of billing and net of loss allowance as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Within one year	195,326	191,581	161,096
More than one year but within two years	42,478	33,596	27,130
More than two years but within three years	38,037	14,478	14,769
More than three years	14,080	20,948	14,180
Total	**289,921**	**260,603**	**217,175**

Our current trade receivables aged over one year, net of loss allowance, decreased from RMB94.6 million as of December 31, 2023 to RMB69.0 million as of December 31, 2024, primarily due to our enhanced collection efforts and adoption of more stringent prepayment requirements based on customer credentials. Our current trade receivables aged over three years, net of loss allowance, increased from RMB14.1 million as of December 31, 2023 to RMB20.9 million as of December 31, 2024, primarily due to prolonged payment delays from customers in the real estate industry amid the industry downturn since 2020, and liquidity issues faced by construction contractors whose source of funds mainly relies on the payments from real estate developers. Our current trade receivables aged over three years, net of loss allowance, decreased to RMB14.2 million as of December 31, 2025, primarily due to the collection of long-aged receivables from constructure contractors.

As of December 31, 2023, 2024 and 2025, our gross trade receivables aged over one year, including current and non-current portions, amounted to RMB161.0 million, RMB150.5 million and RMB137.4 million, respectively, against which we had recognized loss allowance of RMB56.4 million, RMB61.1 million and RMB56.3 million.

The table below sets forth a breakdown of our gross trade receivables by whether they were past due or not as of the dates indicated. A relatively high proportion of our trade receivables were past due, primarily because (1) we experienced prolonged payment delays from construction contractors whose source of funds mainly relies on the payments from real estate developers as discussed above, and (2) under certain of our businesses, we did not grant credit periods to customers, resulting in receivables being recognized as overdue immediately upon reaching payment milestones. However, the balances of overdue trade receivables generally decreased during the Track Record Period as we strengthened our collection efforts.

	As of December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Receivables not yet past due	**184,766**	**47.7**	**201,709**	**53.6**	**165,029**	**49.1**
Overdue receivables						
Within one year	88,120	22.7	73,274	19.5	76,544	22.8
More than one year but within two years	54,361	14.0	27,128	7.2	24,762	7.4
More than two years but within three years	32,204	8.3	35,654	9.5	16,389	4.9
More than three years	28,188	7.3	38,409	10.2	53,685	16.0
Subtotal	**202,873**	**52.3**	**174,465**	**46.4**	**171,380**	**50.9**
Total	**387,639**	**100.0**	**376,174**	**100.0**	**336,409**	**100.0**

Having considered that (1) we had made full or relatively high provisions for trade receivables due from customers facing operational or liquidity difficulties, or those involved in disputes with us based on the estimated likelihood of actual repayment, assessed on a case-by-case basis, and calculated expected credit losses using a provision matrix for other customer accounts, (2) based on our historical experience, subsequent settlements for long-aged trade receivables had generally been sufficient to cover the net balances after adjusting for the loss allowance, and we had not experienced any material unexpected credit losses, (3) a substantial portion of the trade receivables balances as of December 31, 2023 and 2024 had been subsequently settled, and for the remaining balances, we had made sufficient provisions, and (4) we have continuously carried out stringent credit management policy and increased our credit control efforts as aforementioned, we believe that we had made sufficient loss allowance taking into account of the expected recoverable amounts and that there was no recoverability issue for our trade receivables to the extent loss allowance had not been made. Specifically, our Directors are of the view that there was no recoverability issue for trade receivables aged over one year to the extent loss allowance had not been made, as (1) we strengthened our collection efforts with the balance of trade receivables aged over one year continuing to decline during the Track Record Period, and (2) we had made sufficient loss allowance by using a provision matrix to estimate expected credit losses, which takes into account the customer's history of making payments when due and current ability to pay, as well as information specific to the customer and pertaining to the economic environment in which the customer operates.

As of April 30, 2026, RMB87.4 million, or 35.1% of the current portion of our gross trade receivables as of December 31, 2025 had been settled. The relatively low collection rate as of that date was primarily attributable to normal seasonality in the first quarter, during which collection activities are typically slower due to the timing of the Chinese New Year holiday. In addition, our credit terms generally range from three to six months for smart parking systems, which contributed a substantial portion of the trade receivables balances, and therefore some of the outstanding balances as of year end had not yet reached their due dates by such date.

Deferred Tax Assets

We had deferred tax assets of RMB55.0 million, RMB51.9 million and RMB47.6 million as of December 31, 2023, 2024 and 2025, respectively. Our deferred tax assets during the Track Record Period were primarily related to the deductible temporary differences including credit impairment provisions, asset impairment provisions, leasing liability tax-accounting differences, tax loss carry-forwards, and unrealized profits from internal transactions.

Inventories

Our inventories primarily represented (1) raw materials such as hardware components and other raw materials in our production activities, (2) finished goods in stock, (3) work in progress, and (4) goods in transit. The following table sets forth the details of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Raw materials	17,237	13,072	14,561
Finished goods	18,506	16,993	14,594
Work in progress	1,978	2,833	1,977
Goods in transit	25,219	33,749	21,901
Total	**62,940**	**66,647**	**53,033**

Our inventory levels are managed with reference to our backlog and project execution schedule. Our inventories increased from December 31, 2023 to December 31, 2024, primarily due to increases in the total amount of goods in transit and finished goods as a result of an increase in on-hand orders in line with our business growth. Our inventories decreased to December 31, 2025, primarily because certain orders had been delivered and ongoing projects progressed, reducing the amount of goods in transit.

In particular, a relatively large portion of our inventories consisted of goods in transit, representing smart parking hardware products that had been delivered in stages but not yet recognized as revenue. Under our project-based arrangements, revenue is generally recognized upon completion of delivery for the entire contract, and customers typically request staged deliveries in line with project progress and on-site readiness. As a result, the project execution and delivery cycle may be extended, leading to higher balances of goods in transit at period end.

The following table sets forth our inventories turnover days for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Inventories turnover days[1]	54	55	49

(1) The inventories turnover days are calculated by dividing the average of opening and closing balances of inventories, net of loss allowance, for the relevant year by the cost of sales for the same year, multiplied by the number of calendar days in the relevant year.

We seek to maintain strict control over turnover days of our inventories through enhancing sales demand analysis to refine production stocking plans, improving delivery timelines on both supply and sales sides, and boosting the efficiency of technological service delivery to accelerate customer acceptance. Specifically, we generally maintain finished goods inventory equivalent to approximately one to one and a half months of sales, and raw materials inventory sufficient for three to six months of production. See "Business — Raw Materials and Inventory Management — Inventory and Delivery Management." Such inventory levels support our staged project execution and delivery cycle and are generally consistent with our turnover days during the Track Record Period. Moreover, our inventory turnover days during the Track Record Period were generally in line with industry level.

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Within one year	55,488	59,481	41,408
More than one year but within two years	6,471	6,640	9,649
More than two years but within three years	2,190	1,010	1,958
More than three years	1,762	1,963	1,408
Less: write-down	(2,972)	(2,448)	(1,389)
Total	**62,940**	**66,647**	**53,033**

Having considered that (1) a substantial portion of the inventories during the Track Record Period were aged less than one year, and those aged over one year were not perishable or fragile products or raw materials, (2) we have established a strict warehousing management system and our products and raw materials are generally subject to a shelf life of over five years, (3) our raw materials, work in progress and finished goods as of December 31, 2023 and 2024 had generally been utilized or sold on a first-in, first-out basis, and a substantial portion of our goods in transit as of the same dates had been subsequently delivered and recognized as revenue, and (4) we had reviewed the net realizable value of inventories and provided appropriate write-downs, we believe that there was no impairment issue for our inventories to the extent write-downs had not been made.

As of April 30, 2026, RMB9.3 million, or 17.6% of our inventories as of December 31, 2025, had been subsequently utilized or sold. The relatively low utilization rate was primarily attributable to the seasonality of our business, as production, project execution and delivery activities are typically slower in the first quarter due to the Chinese New Year holiday. In addition, our inventory is closely aligned with project execution schedules, and a substantial portion of the inventories as of year end related to ongoing projects with delivery timelines beyond April 30, 2026. Such inventories are expected to be progressively utilized or recognized as revenue as relevant projects progress.

Contract Assets

Our contract assets primarily related to (1) our rights to consideration arising from performance under smart parking systems business for which revenue had been recognized but not yet reached the milestones for billing, and (2) a retention money for 3% to 10% of the contract value for our smart parking systems business. The retention period normally ranges from 12 to 24 months upon customer acceptance. This amount is included in contract assets until the end of the retention period.

We had contract assets of RMB75.0 million, RMB87.0 million and RMB118.2 million as of December 31, 2023, 2024 and 2025, respectively, net of loss allowance of RMB5.9 million, RMB5.6 million and RMB6.2 million, respectively. Our contract assets increased during the Track Record Period, generally in line with the growth of our smart parking systems business. The level of our contract assets balances during the Track Record Period was primarily attributable to the nature of our project-based arrangements, under which revenue is recognized based on project delivery and execution progress, while billing is generally triggered upon the completion of contractual milestones, such as customer acceptance. In practice, the timing of customer acceptance depends on factors such as on-site readiness for construction, installation and commissioning, as well as coordination with overall project schedules. As a result, there is typically a timing difference between revenue recognition and billing, leading to the accumulation of contract assets at period end.

The following table sets forth the details of our gross contract assets as of December 31, 2025.

	Contract Assets Balance as of December 31, 2025	Subsequently Reclassified to Trade Receivables	Subsequently Settled	Contract Assets Balance as of April 30, 2026	Total Contract Value	Contract Value Completed as of April 30, 2026	Uncompleted Contract Value	
				(RMB in thousands)				*(%)*
Implementation services	63,998	12,009	5,518	46,471	271,008	239,336	31,671	11.7
Sales of hardware products	60,439	10,596	6,491	43,353	139,109	134,836	4,274	3.1
Total	**124,437**	**22,605**	**12,009**	**89,824**	**410,117**	**374,172**	**35,945**	**8.8**

The following table sets forth the details of top 10 projects in terms of contract assets as of December 31, 2025.

Customer Identity	Products/Services Provided	Contract Assets as of December 31, 2025	Subsequently Reclassified to Trade Receivables or Settled	Contract Assets as of April 30, 2026	Total Contract Value	Contract Value Completed				Percentage of Non-completion	Expected Completion Date
		(RMB in thousands, except as otherwise stated)								(%)	
						Year ended December 31,			Four months ended April 30,		
						2023	2024	2025	2026		
A real estate investment and development company headquartered in Hong Kong	Implementation services	5,452	—	5,452	HK$56,058	—	47,326	2,595	—	3.1	2026
A trading company headquartered in Nantong	Implementation services	1,871	—	1,871	2,100	—	—	2,081	4	0.7	2031
An urban operations and management services provider headquartered in Zhangpu	Implementation services	1,797	—	1,797	5,992	—	—	4,972	1	17.0	2030
A Shanghai-based technology solutions provider focusing on AI software development	Sale of hardware products	1,736	—	1,736	1,796	—	—	1,786	1	0.5	2030
A branch entity of a state-owned construction company headquartered in Ningbo	Sale of hardware products	1,393	—	1,393	1,443	—	—	1,393	38	0.8	2030
A Shanghai-based technology solutions provider focusing on AI software development	Sale of hardware products	1,376	—	1,376	1,487	—	—	1,476	1	0.7	2030
A municipal engineering design and consulting institute headquartered in Wuhan	Implementation services	1,369	—	1,369	3,512	—	1,079	290	—	61.0	2026
A state-owned construction company headquartered in Jinan	Sale of hardware products	1,334	—	1,334	1,349	—	—	1,333	1	1.1	2030
An urban operations and management services provider headquartered in Zhangpu	Implementation services	1,268	—	1,268	5,073	—	4,545	—	—	10.4	2028
A commercial property and operations management company headquartered in Hainan	Implementation services	1,236	—	1,236	2,062	—	1,275	661	—	6.1	2030

The variance between our initial budgeted costs and the actual costs incurred for the implementation services during the Track Record Period was immaterial and mainly due to changes in customer demand or implementation plans and reduced costs for materials.

As of December 31, 2023, 2024 and 2025, the amount of contract assets that was expected to be recovered after more than one year were RMB3.3 million, RMB4.1 million and RMB6.6 million, respectively. All of the other contract assets were expected to be recovered within one year. When our right to consideration becomes unconditional, we reclassify the contract assets to trade receivables.

Having considered that (1) a substantial portion of our contract assets as of December 31, 2023 and 2024 had been subsequently reclassified to trade receivables or settled as the relevant projects progressed and reached the milestones for billing, (2) the reclassification from contract assets to trade receivables was primarily driven by the achievement of contractual billing milestones, the timing of which was generally aligned with relevant project execution cycles without any abnormal delays during the Track Record Period, and (3) we had calculated expected credit losses using a provision matrix for contract assets, we believe that we had made sufficient loss allowance and that there was no recoverability issue for our contract assets to the extent loss allowance had not been made.

As of April 30, 2026, RMB22.6 million of our gross contract assets as of December 31, 2025 had been reclassified to trade receivables, and an additional RMB12.0 million had been subsequently settled, representing 27.8% our gross contract assets as of December 31, 2025 in aggregate.

Prepayments

Our prepayments primarily consisted of those for (1) operating rental expenses, including prepayments for contracting fees to parking facilities under the contract operation model, advertising displays rental fees, and rentals for office premises, (2) raw materials purchased for our smart parking hardware products, and (3) others, such as prepayments for parking voucher procurements not yet delivered by suppliers, cloud services and other miscellaneous costs and expenses in the ordinary course of business. The following table sets forth the details of our prepayments as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Operating rental expense	406	14,601	8,682
Purchase of raw materials	4,158	7,424	5,288
Others	8,589	5,313	9,019
Total	**13,153**	**27,338**	**22,989**

Our prepayments increased from as of December 31, 2023 to December 31, 2024, primarily because we recorded prepayments for contracting fees. Our prepayments decreased to December 31, 2025 due to (1) a reduction in the prepayments for contracting fees and (2) the gradual amortization of prepaid advertising displays rental expenses.

Other Current Assets and Other Non-current Assets

We had other current assets of RMB118.1 million, RMB224.4 million and RMB147.3 million as of December 31, 2023, 2024 and 2025, respectively, representing upfront payments to customers (1) for contracting fees under contract operation model where we adopt a minimum income plus revenue-sharing model, amounted to RMB107.2 million, RMB179.5 million and RMB98.9 million, respectively; and (2) for our procurement of parking vouchers under the parking voucher collaboration model amounted to RMB10.9 million, RMB44.9 million and RMB48.4 million, respectively. Under these business models, we typically make upfront payments to our customers, which are the parking facility owners or operators, in order to pursue promising business opportunities and maintain stable cooperative relationship with these customers. We also had other non-current assets relating to contracting fees of RMB81.8 million as of December 31, 2025. See Note 16 of the Accountants' Report in Appendix I to this prospectus.

The current portion of our upfront payments for contracting fees under contract operation model where we adopt a minimum income plus revenue-sharing model increased from December 31, 2023 to December 31, 2024, primarily due to the rapid expansion of relevant projects, including several large-scale projects. Such amount subsequently decreased to December 31, 2025, primarily because a larger portion of new projects in 2025 required prepayments with terms exceeding one year, which were therefore recorded under other non-current assets. Our upfront payments for procurement of parking vouchers increased during the Track Record Period, primarily due to business expansion and the nature of the model, where parking vouchers are typically procured through large upfront payments and consumed in batches over time.

In the business of contract operation where we adopt a minimum income plus revenue-sharing model, the upfront payments are expected to be recoverable based on the expected future cash flows from the service contracts that we have with the parking facility owners. The amounts are amortized as a reduction in the revenue derived from the services that we provide to the parking facility owners. We act as an agent to collect the parking fees from users of the parking facilities on behalf of the parking facility owners to which we provide services. In contrast, in the business of contract operation where we are not entitled to a minimum income, our customers are parking facility users, i.e., vehicle owners and drivers.

In the business of parking voucher collaboration, we make payments to the parking facility owners or operators in return for parking vouchers at a bulk discount. When the parking vouchers are used to settle the parking fees due to the parking facility owners or operators, we recognize the net amount earned on the parking vouchers as service revenue. This revenue is calculated as the amount paid by users for the parking vouchers minus the amount we paid for acquiring the vouchers.

The following table sets forth the movement of the amounts of parking vouchers during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Amounts of parking vouchers at the beginning of the period	3,057	10,912	44,872
Amounts of parking vouchers procured during the period	14,830	62,152	84,888
Amounts of parking vouchers consumed during the period	(6,975)	(28,191)	(80,199)
Less: impairment	—	—	(1,188)
Amounts of parking vouchers at the end of the period	10,912	44,872	48,373

The following table sets forth a breakdown of the amounts of parking vouchers procured, by validity period, for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Within one year	3,173	21.4	30,729	49.4	59,046	69.6
More than one year but within two years	6,488	43.8	24,734	39.8	19,389	22.8
More than two years but within three years	3,817	25.7	4,572	7.4	3,662	4.3
More than three years	1,351	9.1	2,116	3.4	2,791	3.3
Total	**14,830**	**100.0**	**62,152**	**100.0**	**84,888**	**100.0**

Restricted Deposits

Our restricted deposits during the Track Record Period primarily consisted of certain deposits in designated banks as guarantees under letter of performance guarantee and bank acceptance bill in the ordinary course of business. We had restricted deposits of RMB35.6 million, RMB26.8 million and RMB61.0 million as of December 31, 2023, 2024 and 2025, respectively.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consisted of cash at bank. We had cash and cash equivalents of RMB190.4 million, RMB164.3 million and RMB190.7 million as of December 31, 2023, 2024 and 2025, respectively.

Trade and Other Payables

Our trade and other payables primarily consisted of (1) trade payables, representing amounts payable to suppliers for raw materials used in the production of smart parking hardware products, construction services and other products and services for our operations, (2) salaries and bonus payables, (3) bill payables, and (4) other payables and accruals relating to share-based payments, VAT incurred, Listing expenses, as well as retention money from third-party construction service providers.

The following table sets forth a breakdown of our trade and other payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade payables			
— third parties	87,140	84,791	81,186
— related parties	22	87	138
Salaries and bonus payables	40,884	47,197	37,514
Bill payables	21,010	20,728	9,806
Other payables and accruals	64,278	59,842	52,445
Total	**213,334**	**212,645**	**181,089**

Our trade and other payables remained relatively stable at December 31, 2023 and 2024. Our trade and other payables decreased to December 31, 2025 due to decreases in (1) bill payables as a result of changes in the settlement methods by certain suppliers, (2) salaries and bonus payables, and (3) other payables and accruals primarily due to the transfer of certain other payables to capital reserve upon completion of the vesting period under our share incentive schemes and our VAT payments during the period, partially offset by the accrual for Listing expenses.

Our suppliers generally grant us a credit period of 60 days. The following table sets forth our trade payables turnover days for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days[1]	72	73	68

(1) The trade payables turnover days are calculated by dividing the average of opening and closing balances of trade payables for the relevant period by the cost of sales for the same period, multiplied by the number of calendar days in the relevant period.

Our trade payables turnover days generally decreased during the Track Record Period, primarily due to the significant growth of our parking facility and platform operations business, which led to a greater increase in cost of sales than in trade payables.

The following table sets forth an aging analysis of our trade payables based on invoice date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Within one year	76,814	72,633	67,754
Over one year but within two years	3,861	4,791	5,459
Over two years but within three years	2,573	2,188	3,146
Over three years	3,914	5,266	4,965
Total	**87,162**	**84,878**	**81,324**

As of April 30, 2026, RMB49.4 million, or 60.8% of our trade payables as of December 31, 2025 had been settled.

Contract Liabilities

Our contract liabilities arise when we receive customer prepayments before related products and services are provided. The following table sets forth the details of our contract liabilities as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Smart parking systems	62,374	85,329	78,638
Parking facility and platform operations	9,446	12,913	18,405
Smart parking management services	5,289	6,611	5,076
Total	**77,109**	**104,853**	**102,119**

Our contract liabilities increased from December 31, 2023 to December 31, 2024, primarily due to our adoption of more stringent prepayment requirements based on customer credentials, which led to a higher prepayment ratio for certain customers. Our contract liabilities remained relatively stable at December 31, 2025.

As of April 30, 2026, RMB27.7 million, or 27.1% of our contract liabilities as of December 31, 2025, had been subsequently recognized as revenue.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity and Working Capital

Our primary uses of cash are to fund our working capital requirements and other recurring expenses. During the Track Record Period, we financed our capital expenditures and working capital requirements primarily through cash generated from our operating activities and bank loans. We had not experienced any difficulty in obtaining equity or debt financing during the Track Record Period and up to the Latest Practicable Date. We adopt a prudent working capital management policy by allocating funds efficiently, regulating payment processes, and optimizing inventory management to reduce capital tied up in stock.

Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash generated from our operating activities, bank loans, the estimated net proceeds from the Global Offering and other funds raised from the capital markets from time to time. We will closely monitor the level of our working capital, and diligently review future cash flow requirements and adjust our operations and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations.

Taking into consideration of financial resources presently available to us, our Directors are of the view that our available cash and cash equivalents, anticipated cash flow from operations, bank loans, and the estimated net proceeds from the Global Offering will be sufficient to meet our present and anticipated cash requirements for the next 12 months from the date of this prospectus.

Cash Flows

The following table sets forth a summary of our consolidated cash flow statements for the years indicated.

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Net cash generated from operating activities	182,025	66,421	144,037
Net cash used in investing activities	(21,176)	(55,400)	(104,951)
Net cash used in financing activities	(90,648)	(36,804)	(12,755)
Net increase/(decrease) in cash and cash equivalents	70,201	(25,783)	26,331
Cash and cash equivalents at the beginning of the year	120,274	190,384	164,339
Effect of foreign exchange rate changes	(91)	(262)	5
Cash and cash equivalents at the end of the year	190,384	164,339	190,675

Net cash generated from operating activities

In 2025, we had net cash generated from operating activities of RMB144.0 million, primarily due to profit before tax of RMB108.0 million, as adjusted by certain non-cash and non-operating items, mainly including depreciation of property, plant and equipment of RMB49.8 million and depreciation of right-of-use assets of RMB35.4 million, and changes in working capital that positively affected our cash flows, mainly including a decrease in other current assets of RMB77.1 million and a decrease in trade and other receivables of RMB22.9 million, partially offset by changes in working capital that negatively affected our cash flow, mainly including an increase in other non-current assets of RMB80.6 million, an increase in restricted bank balances of RMB34.2 million, an increase in contract assets of RMB31.2 million and a decrease in trade and other payables of RMB18.3 million.

In 2024, we had net cash generated from operating activities of RMB66.4 million, primarily due to profit before tax of RMB98.9 million, as adjusted by certain non-cash and non-operating items, mainly including depreciation of property, plant and equipment of RMB57.4 million, depreciation of right-of-use assets of RMB23.1 million, and impairment loss on contract assets and trade receivables of RMB9.6 million, and changes in working capital that positively affected our cash flows, mainly including an increase in contract liabilities of RMB27.7 million, and a decrease in restricted bank balances of RMB8.8 million, partially offset by changes in working capital that negatively affected our cash flow, mainly including an increase in other current assets of RMB106.2 million, an increase in trade and other receivables of RMB18.2 million, an increase in prepayments of RMB14.2 million, and an increase in contract assets of RMB12.1 million.

In 2023, we had net cash generated from operating activities of RMB182.0 million, primarily due to profit before tax of RMB102.2 million, as adjusted by certain non-cash and non-operating items, mainly including depreciation of property, plant and equipment of RMB58.3 million, depreciation of right-of-use assets of RMB19.6 million, and impairment loss on contract assets and trade receivables of RMB12.4 million, and changes in working capital that positively affected our cash flows, mainly including an increase in trade and other payables of RMB40.9 million, and an increase in contract liabilities of RMB28.8 million, partially offset by changes in working capital that negatively affected our cash flow, mainly including an increase in trade and other receivables of RMB29.0 million, an increase in restricted bank balances of RMB20.5 million, an increase in contract assets of RMB11.6 million, and an increase in inventories of RMB9.1 million.

Net cash used in investing activities

In 2025, our net cash used in investing activities was RMB105.0 million, primarily due to placement of structured deposits of RMB510.0 million, payment for purchase of property, plant and equipment of RMB104.0 million and payment for purchase of leasehold land of RMB16.5 million, partially offset by maturity of structured deposits of RMB510.6 million.

In 2024, our net cash used in investing activities was RMB55.4 million, primarily due to placement of structured deposits of RMB210.0 million, payment for purchase of property, plant and equipment of RMB49.4 million and payment for purchase of leasehold land of RMB12.1 million, partially offset by maturity of structured deposits of RMB211.4 million.

In 2023, our net cash used in investing activities was RMB21.2 million, primarily due to placement of structured deposits of RMB90.0 million, payment for purchase of property, plant and equipment of RMB57.6 million, and payment for purchase of leasehold land of RMB9.5 million, partially offset by maturity of structured deposits of RMB90.4 million, maturity of fixed deposits with banks with original maturity over three months of RMB31.0 million, and proceeds from disposal of property, plant and equipment and other long-term assets of RMB10.0 million.

Net cash used in financing activities

In 2025, our net cash used in financing activities was RMB12.8 million, primarily due to repayments of bank loans of RMB29.5 million, capital element of lease rentals paid of RMB28.2 million and dividends to equity shareholders of RMB20.0 million, partially offset by proceeds from bank loans of RMB71.7 million.

In 2024, our net cash used in financing activities was RMB36.8 million, primarily due to capital element of lease rentals paid of RMB35.3 million, dividends to equity shareholders of RMB20.0 million and repayments of bank loans of RMB12.5 million, partially offset by proceeds from bank loans of RMB32.0 million.

In 2023, our net cash used in financing activities was RMB90.6 million, primarily due to repayments of bank loans of RMB108.5 million, acquisition of additional interests in subsidiaries of RMB26.6 million and capital element of lease rentals paid of RMB17.0 million, partially offset by proceeds from bank loans of RMB49.5 million and capital injections from equity shareholders of RMB15.7 million.

Current Assets and Current Liabilities

The following table sets forth our current assets, current liabilities and net current assets as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(unaudited)
Current assets:				
Inventories	62,940	66,647	53,033	59,000
Contract assets	74,977	87,046	118,212	110,860
Other current assets	118,113	224,360	147,308	145,192
Trade and other receivables	332,939	322,718	287,714	273,546
Prepayments	13,153	27,338	22,989	19,625
Financial assets measured at fair value through profit or loss	—	—	215	211
Restricted bank deposits	35,551	26,796	61,003	17,996
Cash and cash equivalents	190,384	164,339	190,675	138,974
Total current assets	**828,057**	**919,244**	**881,149**	**765,404**
Current liabilities:				
Trade and other payables	213,334	212,645	181,089	159,547
Contract liabilities	77,109	104,853	102,119	107,768
Bank loans	10,011	29,508	3,061	12,317
Lease liabilities	15,631	30,693	17,341	16,238
Current taxation	7,162	4,705	6,797	6,794
Total current liabilities	**323,247**	**382,404**	**310,407**	**302,663**
Net current assets	**504,810**	**536,840**	**570,742**	**462,741**

We had net current assets of RMB504.8 million, RMB536.8 million, RMB570.7 million and RMB462.7 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. Our net current assets position as of each of these dates was primarily attributable to our trade and other receivables, prepayments, cash and cash equivalents and inventories, partially offset by our trade and other payables, contract liabilities and bank loans.

Our net current asset decreased from RMB570.7 million as of December 31, 2025 to RMB462.7 million as of April 30, 2026, primarily due to (1) a decrease in cash and cash equivalents of RMB51.7 million, (2) a decrease in restricted bank deposits of RMB43.0 million, and (3) a decrease in trade and other receivables of RMB14.2 million, partially offset by a decrease in trade and other payables of RMB21.5 million.

Our net current assets increased from RMB536.8 million as of December 31, 2024 to RMB570.7 million as of December 31, 2025, primarily due to (1) increases in restricted bank deposits of RMB34.2 million and cash and cash equivalents of RMB26.4 million as a result of the collection of parking fees, (2) a decrease in trade and other payables of RMB31.5 million, (3) an increase in contract assets of RMB31.2 million, and (4) a decrease in bank loans of RMB26.4 million, partially offset by (i) a decrease in other current assets of RMB77.1 million and (ii) a decrease in trade and other receivables of RMB35.0 million.

Our net current assets increased from RMB504.8 million as of December 31, 2023 to RMB536.8 million as of December 31, 2024, primarily due to (1) an increase in other current assets of RMB106.2 million as a result of the rapid growth of our contract operation model, (2) an increase in prepayments of RMB14.2 million, and (3) an increase in contract assets of RMB12.1 million, partially offset by (i) an increase in contract liabilities of RMB27.7 million, (ii) a decrease in cash and cash equivalents of RMB26.0 million as we invested in our parking facility and platform operations business, (iii) an increase in bank loans of RMB19.5 million, and (iv) an increase in lease liabilities of RMB15.1 million.

INDEBTEDNESS

Our indebtedness during the Track Record Period consisted of bank loans and lease liabilities. April 30, 2026 is the latest practicable date for the purpose of this statement of indebtedness in this prospectus. The following table sets forth a breakdown of our indebtedness as of the date indicated.

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
		(RMB in thousands)		
				(unaudited)
Current:				
Bank loans	10,011	29,508	3,061	12,317
Lease liabilities	15,631	30,693	17,341	16,238
Non-current:				
Bank loans	—	—	68,679	97,044
Lease liabilities	15,243	33,991	33,788	33,014
Total	**40,885**	**94,192**	**122,869**	**158,613**

Bank Loans

The following table sets forth a breakdown of our bank loans as of the dates indicated. As of April 30, 2026, we had unutilized credit facilities of RMB364.5 million.

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
	(RMB in thousands)			(unaudited)
Current:				
— secured and guaranteed	—	22,000	48	247
— secured and unguaranteed	—	—	10	10,069
— unsecured and guaranteed	5,005	4,505	—	—
— unsecured and unguaranteed	5,006	3,003	3,003	2,001
	10,011	29,508	3,061	12,317
Non-current:				
— secured and guaranteed	—	—	57,792	76,683
— secured and unguaranteed	—	—	10,887	20,361
	—	—	68,679	97,044
Total	**10,011**	**29,508**	**71,740**	**109,361**

Our bank loans as of December 31, 2023, 2024 and 2025 were denominated in Renminbi, with effective interest rates ranging from 3.55% to 4.00%, 3.50% to 3.65%, and 2.00% to 3.30% per annum, respectively.

As of December 31, 2023, 2024 and 2025, nil, RMB22.0 million and RMB57.8 million of our bank loans were guaranteed by our Controlling Shareholders, respectively. As of April 30, 2026, the outstanding amount of such guaranteed loans (including principals and accrued interests) was RMB76.9 million. All guarantees provided by related parties will be released prior to the Listing. See Note 33(d) to the Accountants' Report in Appendix I to this prospectus. As of December 31, 2023, 2024 and 2025, property, plant and equipment of RMB68.2 million, RMB65.3 million, and RMB129.7 million, respectively, and investment properties of RMB7.0 million, RMB6.6 million and RMB6.1 million, respectively, and right-of-use assets of nil, nil and RMB20.7 million, respectively, were pledged to secure certain of our bank facilities.

We are subject to certain restrictive covenants under the terms of our bank loans, which are commonly found in loan arrangements with financial institutions in China, and may restrict or otherwise adversely affect our operations. These covenants may restrict, among other things, the use of proceeds and pledged assets related to the bank loans, and our ability to engage in change-in-control transactions, and reduce our working capital. Furthermore, some of our bank borrowings are subject to the fulfillment of covenants relating to certain of our financial ratios. See "Risk Factors — Risks Relating to Our Business and Industry — Failure to satisfy our obligations related to our bank loans may materially and adversely affect our business, results of operations and financial condition."

Our Directors confirm that we did not have any material default in payment of bank loans, and did not breach any material covenants in relation to the bank loans mentioned above in all material aspects, during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

The following table sets forth the repayable schedule of our lease liabilities as of the date indicated.

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
		(RMB in thousands)		*(unaudited)*
Within one year	15,631	30,693	17,341	16,238
After one year but within two years	7,255	20,960	12,450	12,288
After two years but within five years	7,418	12,228	18,209	17,909
After five years	570	803	3,129	2,817
Total	**30,874**	**64,684**	**51,129**	**49,252**

Statement of Indebtedness

Saved as disclosed above, as of April 30, 2026, we had no bank loans, or any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases, guarantees or other material contingent liabilities. Our Directors confirm that there has not been any material change in our indebtedness since April 30, 2026 and up to the date of this prospectus.

CONTINGENT LIABILITIES

We did not have any contingent liabilities during the Track Record Period and up to the Latest Practicable Date.

CAPITAL COMMITMENTS AND EXPENDITURES

Capital Commitments

Our capital commitments were mainly related to property, plant and equipment. Our capital commitments amounted to RMB0.3 million, RMB85.4 million and RMB75.2 million as of December 31, 2023, 2024 and 2025, respectively, representing contracted amounts for our new production facility under construction. See Note 32 to the Accountants' Report in Appendix I to this prospectus.

Capital Expenditures

Our capital expenditures during the Track Record Period primarily represented payment for purchase of property, plant and equipment and payment for leasehold land. Our capital expenditures were RMB67.8 million, RMB61.5 million and RMB120.4 million in 2023, 2024 and 2025, respectively. We funded our capital expenditure requirements during the Track Record Period mainly from a combination of cash generated from our operating activities and bank loans. We plan to fund our planned capital expenditures by using cash flow generated from our operations and the net proceeds received from the Global Offering.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we had no off-balance sheet arrangements.

LISTING EXPENSES

We expect to incur a total of approximately RMB52.2 million of Listing expenses in connection with the Global Offering, representing approximately 15.0% of the gross proceeds from the Global Offering (based on an Offer Price of HK$39.55 per H Share and assuming that the Over-allotment Option is not exercised), including (1) underwriting related expenses (including but not limited to commissions and fees) of approximately RMB14.0 million, and (2) non-underwriting expenses of approximately RMB38.2 million, which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB21.7 million, and (ii) other fees and expenses of approximately RMB16.5 million. During the Track Record Period, we incurred Listing expenses of RMB30.1 million, out of which RMB27.1 million was charged to our consolidated statements of profit or loss and other comprehensive income as administrative expenses, and RMB3.0 million will be deducted from equity upon completion of the Global Offering. We expect to further incur Listing expenses of approximately RMB22.1 million prior to and upon completion of the Global Offering, out of which approximately RMB7.9 million is expected to be charged to our consolidated statements of profit and loss and other comprehensive income, and approximately RMB14.2 million is expected to be deducted from equity upon the completion of the Global Offering. The Listing expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

RELATED PARTY TRANSACTIONS

We may enter into transactions with our related parties from time to time. The balances with related parties during the Track Record Period were trade in nature. For details about our related party transactions during the Track Record Period, see Note 33 to the Accountants' Report in Appendix I to this prospectus. Our Directors believe that each of the related party transactions was conducted in the ordinary course of business on an arm's length basis. Our Directors are of the view that related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the years indicated.

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin	46.4%	45.9%	46.4%
Net profit margin	11.8%	10.8%	11.3%
Adjusted net profit margin (non-IFRS measure)(1)	12.1%	11.5%	14.7%
Current ratio(2) (times)	2.6	2.4	2.8
Quick ratio(3) (times)	2.4	2.2	2.7

(1) The calculation of adjusted net profit margin (non-IFRS measure) is based on adjusted net profit (non-IFRS measure) divided by revenue for the respective period and multiplied by 100.0%. See "— Discussion of Major Profit or Loss Items — Non-IFRS Measure" for a reconciliation of our profit and total comprehensive income for the year to our adjusted net profit (non-IFRS measure).

(2) The calculation of current ratio is based on current assets divided by current liabilities as of year end.

(3) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of year end.

Gross Profit Margin, Net Profit Margin and Adjusted Net Profit Margin (Non-IFRS Measure)

See "— Period to Period Comparison of Results of Operations" for a discussion of the factors affecting our gross profit margin, net profit margin and adjusted net profit margin (non-IFRS measure) during the Track Record Period.

Current Ratio and Quick Ratio

Our current ratio remained relatively stable at 2.6, 2.4 and 2.8 as of December 31, 2023, 2024 and 2025. Our quick ratio remained relatively stable at 2.4, 2.2 and 2.7 as of the same dates.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF FINANCIAL RISKS

Exposure to credit, liquidity and interest rate risks arise in the normal course of our business. Our exposure to these risks and the financial risk management policies and practices used by us to manage these risks are described below. We operate in China and most of our monetary assets and liabilities are denominated in RMB. Our management considers our exposure to currency risk to be insignificant. See Note 31 to the Accountants' Report included in Appendix I to this prospectus for details.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risk is primarily attributable to trade and other receivables and contract assets. Our exposure to credit risk arising from cash and cash equivalents, restricted bank deposits and other financial assets is limited because the counterparties are banks, and financial institutions for which we consider to represent low credit risk. We do not provide any guarantees which would expose us to credit risk.

We have established a credit risk management policy under which individual credit evaluations are performed on all customers regarding credit over a certain amount. These evaluations focus on the customer's history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

We measure loss allowances for contract assets and current trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. For the trade receivables for which our management is aware of specific information related to elevated credit risk or pending lawsuits, including trade receivables with gross carrying amount of RMB29.5 million, RMB37.7 million and RMB50.7 million as of December 31, 2023, 2024 and 2025, respectively, we assessed the ECL allowances on an individual basis.

Liquidity risk

Our treasury function is centrally managed by us, which includes the short-term investment of cash surpluses and the raising of funds to cover expected cash demands. Our policy is to regularly monitor our liquidity requirements and our compliance with lending covenants, to ensure that we maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet our liquidity requirements in the short and longer term.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our interest rate risk arises primarily from cash balances at bank and on hand, fixed deposits, bank loans, restricted bank deposits and lease liabilities. Interest-bearing financial instruments at variable rates and at fixed rates expose us to cash flow interest rate risk and fair value interest rate risk, respectively.

DIVIDEND

We are a joint stock company incorporated under PRC laws. According to the PRC Company Law, a PRC-incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, determined under PRC GAAP, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, no dividend shall be declared or payable, unless we have profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, if any, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. According to the Articles, we shall implement a continuous and stable profit distribution policy. A reasonable portion of our profits shall be distributed, provided that adequate funds are reserved to meet our operational needs and future development. After the Shareholders' meeting of our Company has resolved on the profit distribution plan, our Board shall complete the distribution of dividends (or shares) within two months thereafter. See "Summary of Articles of Association — Profit Distribution" in Appendix III to this prospectus for details. In 2023, 2024 and 2025, our Company declared dividends of nil, RMB20.0 million and RMB20.0 million, respectively, all of which had been paid in full. See Note 30 to the Accountants' Report included in Appendix I to this prospectus for details. At our Shareholders' general meeting held in April 2026, we declared a dividend of RMB20.0 million, which was paid in full in the same month.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company's retained earnings amounted to RMB533.9 million, which represented our distributable reserves as of the same date.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since December 31, 2025 (being the end of the Track Record Period as reported in the Accountants' Report in Appendix I) and there is no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this prospectus.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited Pro Forma Financial Information."

FUTURE PLANS

See "Business — Growth Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting commissions and other fees and expenses payable by us in connection with the Global Offering, will be approximately HK$339.9 million, based on an Offer Price of HK$39.55 per H Share and assuming that the Over-allotment Option is not exercised.

We currently intend to use the net proceeds from the Global Offering for the purposes and in the amounts as set out below:

	Year 1	Year 2	Year 3	Total
		(HK$ in millions)		
Advance our R&D efforts and enhance our technological capabilities	**26.1**	**44.4**	**48.5**	**119.0**
Recruit high-caliber R&D personnel in order to further upgrade urban parking	17.1	33.1	34.8	85.0
Improve our technological infrastructure	9.0	11.3	13.7	34.0
Deepen our parking facility and platform operations business and increase our operational scale	**119.0**	**—**	**—**	**119.0**
Extend our marketing and service networks and further explore global expansion opportunities	**12.3**	**24.1**	**31.6**	**68.0**
Expand our domestic marketing and service teams	6.9	13.3	13.8	34.0
Assemble localized overseas marketing teams	5.4	10.8	17.8	34.0
Working capital and other general corporate purposes	**11.3**	**11.3**	**11.3**	**33.9**
Total	**168.7**	**79.8**	**91.4**	**339.9**

- approximately 35.0% of the net proceeds, or HK$119.0 million, to advance our R&D efforts and enhance our technological capabilities. See "Business — Growth Strategies — Continue to invest in R&D and technologies and expand our talent pool." In particular:

  (1) approximately 25.0% of the net proceeds, or approximately HK$85.0 million, to recruit high-caliber R&D personnel in order to further upgrade urban parking. We seek to continuously develop our AI-driven smart parking foundation model training and application platform, thereby enhancing operational analysis and enabling recommendations for improvements across various parking facilities and scenarios. To this end, we aim to attract top-tier, multi-disciplinary technological talents and experts in fields such as AI algorithms, foundation models and computer vision, and focus our R&D efforts on developing an integrated platform combining perception, decision-making and service coordination. Our major initiatives include multi-modal sensing technologies to improve accuracy under complex environments, dynamic pricing and dispatch algorithms based on spatial-temporal data modeling, and solutions featuring vehicle-to-everything ("V2X") to support autonomous parking integration and vehicle-road collaboration. We also plan to recruit technological staff in automated

testing and software development to support our R&D initiatives. Based on our current estimation, we plan to recruit approximately 120 to 135 new R&D experts. Specifically, we plan to recruit approximately 30 to 35 R&D employees focusing on cutting-edge areas such as AI, approximately 10 to 15 employees focusing on image algorithm and automated testing, and approximately 80 to 85 employees on software development. Time-wise, we plan to recruit approximately 60 to 70 R&D employees in each of the first two years, respectively. This planned recruitment is driven by the urgent need to respond to rapid technological shifts in areas such as autonomous driving, AIoT and V2X integration. In addition, as we move from foundational R&D towards vertical scenario breakthroughs and global market adaptation, we require specialized talents in fields such as high-precision mapping, federated learning, low-code platforms and international compliance. These efforts are expected to significantly enhance our long-term resilience by enabling differentiated technologies, boosting operational efficiency and supporting ecosystem monetization. By expanding our R&D team, we will strengthen our capabilities in smart parking technology, driving optimization and innovation through dedicated research efforts.

(2) approximately 10.0% of the net proceeds, or approximately HK$34.0 million, to improve our technological infrastructure. The rise of AI, big data analytics and other cutting-edge technologies has enabled us to streamline parking management and operations to reduce costs and improve efficiency. As such, we intend to invest in technological infrastructure to capitalize on the significant growth opportunities. Specifically, we will acquire computing and storage resources to ensure high-performance computing and reliable data management, which are essential to support the training and application of AI models. We also intend to procure scheduling scenario middleware and data storage and computing middle platforms to enhance the efficiency of our R&D activities. These tools can help streamline data integration, algorithm training and model deployment across diverse parking scenarios. In particular, they will enable faster iteration, collaborative development and real-time system testing, thereby reducing time-to-market for our smart parking systems. In addition, we will invest in security components to ensure the integrity and continuity of our operations.

- approximately 35.0% of the net proceeds, or HK$119.0 million, to deepen our parking facility and platform operations business and increase our operational scale. See "Business — Growth Strategies — Deepen our parking facility and platform operations business and tap into markets with huge market potentials." We aim to empower parking asset owners and operators by leveraging our technological and operational capabilities, enabling them to generate sustainable returns. We intend to collaborate with an increasing number of parking facilities under our contract operation model. We plan to continue to expand our network of parking facilities and deliver parking facility and platform operations to meet the evolving demands of our customers, while maintaining our leading position in the smart parking space operation industry. Specifically, we plan to focus primarily on collaborating with parking facilities in the southeastern coastal region of China, where we have established market presence, such as Fujian province, Guangdong province, Zhejiang province and Jiangsu province, to further enhance our penetration. According to the CIC Report, the aggregate parking capacity in the four mentioned provinces reached approximately 50 million spaces by the end of 2024, accounting for about 27.5% of the total parking spaces nationwide. These substantial existing parking facilities present a significant and readily addressable market for our business, thereby fostering a solid foundation and considerable prospects for sustained business expansion. We also seek to strategically expand our operations to provincial capital cities in North, Central and Southwest China, such as Chongqing, Hunan province and Hubei province, to broaden our geographical coverage. In particular, we will actively evaluate and select parking facilities suitable for collaboration under the contract operation model based on multiple key factors, including the facility's location and accessibility, surrounding commercial and residential density, historical parking volume and turnover rate, as well as the overall local parking demand and pricing environment. By applying this systematic approach, we aim to prioritize projects with favorable utilization potential and financial returns, thereby ensuring sustainable expansion across targeted regions. By leveraging our operational and technological expertise, we believe we can capture a larger share in these emerging regional markets. Moreover, according to the CIC Report, provincial capital cities in China typically exhibit higher population densities and traffic volumes than smaller cities within their respective provinces, exacerbating parking difficulties and driving greater demand for smart parking space operations. We currently plan to increase our coverage to an additional number of approximately 280 parking facilities, all targeted for the first year. We are committed to establishing sustainable relationships with parking facilities of different types, sizes and development stages, to enlarge our market share and solidify our leadership.

We expect to incur contracting fees to parking facility owners for the right to occupy and operate the facility, as well as costs associated with construction and renovation. Moreover, we intend to facilitate the transformation of parking facilities under our contract operation model. We will equip the parking facilities with, among others, parking fee management system, in order to improve operational efficiency and elevate the asset value of the facilities. We also plan to recruit capable operational personnel to remotely support these parking facilities, therefore further streamlining our parking facility and platform operations.

- approximately 20.0% of the net proceeds, or HK$68.0 million, to extend our marketing and service networks and further explore global expansion opportunities, including:

  (1) approximately 10.0% of the net proceeds, or approximately HK$34.0 million, to expand our domestic marketing and service teams. See "Business — Growth Strategies — Strengthen our marketing network and enlarge our customer base." We will continue to enhance the development of our marketing networks within China. Specifically, we aim to expand our customer base by strategically focusing on lower-tier cities in the southeastern coastal region of China, to expand the penetration of our parking facility and platform operations business. We also plan to introduce our smart parking systems to provincial capital cities in western China, which present significant under-served needs for refined smart parking products and services. We plan to recruit additional sales and marketing personnel and establish localized teams in these cities. In particular, to support the rapid growth, we target to engage sales personnel who possess industry knowledge and experience in parking asset management and operations. In companion, we also plan to hire additional operational and technical support personnel to facilitate our market penetration efforts. We tentatively intend to recruit approximately 160 employees in the next three years, responsible for sales and marketing and customer support. They will primarily be based in Southern China and Eastern China. By leveraging our highly adaptable and scalable business model, we aim to replicate the success of our existing projects.

  (2) approximately 10.0% of the net proceeds, or HK$34.0 million, to assemble localized overseas marketing teams. See "Business — Growth Strategies — Extend our global outreach and expand our global presence." We are prioritizing two key regions for strategic deployment, including Southeast Asia and the Middle East. We have established dedicated overseas sales, R&D, and after-sales technical teams to support overseas market expansion. As market demands differ across countries, e.g., in license plate recognition systems and localized electronic payment solutions, we have carried out targeted development efforts leveraging our strong R&D capabilities and extensive project experience. To date, we have supported parking facilities and parking spaces across over 60 countries and regions. We have successfully completed the localization of license plate recognition and electronic payment systems in our core target overseas

markets, and implemented parking facility projects for properties such as Kronos Tower in Thailand, Brunei International Airport in Brunei, Marina Bay Cruise Centre in Singapore, Zahra Complex in Kuwait, United Tower in Bahrain and Tawaren Center in Saudi Arabia. As such, our Directors are of the view that our overseas expansion plan is feasible and supported by our existing technology capabilities, project experience and market foundation, which enable us to further expand our presence in the overseas markets in a prudent manner. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the Directors' view above. To support this, we also plan to collaborate with local business partners and recruit localized personnel well-versed with the business practices and environments of these target regional markets. By leveraging our strengths in product portfolio, technological capabilities and brand recognition, we aim to increase our market share in these high-potential regions.

- approximately 10.0% of the net proceeds, or HK$33.9 million, for working capital and other general corporate purposes.

Our intended use of proceeds is expected to have a positive impact on our overall financial position. By optimizing the use of proceeds, we are able to reduce financing costs, enhance cash flow efficiency and improve overall liquidity. We believe these measures will also contribute to our revenue growth, support stable profit margins and improve our long-term financial sustainability. In addition, we expect that the intended use of proceeds will increase our costs and operating expenses in absolute terms, as we intend to increase our operational scale, especially with respect to our parking facility and platform operations, as well as to advance our R&D efforts and extend our marketing and service networks. However, we anticipate that our revenue growth will generally outpace such increases.

Any additional proceeds received from the exercise of the Over-allotment Option will also be allocated to the above purposes on a pro rata basis. In the event that the Over-allotment Option is exercised in full, we will receive net proceeds of HK$392.9 million (after deducting the estimated underwriting commissions and other fees and expenses payable by us in connection with the Global Offering and based on an Offer Price of HK$39.55 per H Share).

To the extent that the net proceeds are not immediately applied to the above purposes, we will only deposit the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited

CMBC Securities Company Limited

SDIC Securities (Hong Kong) Limited

Skyvast Securities Limited

CMB International Capital Limited

Futu Securities International (Hong Kong) Limited

Shenwan Hongyuan Securities (H.K.) Limited

CCB International Capital Limited

Somerley Capital Limited

Huafu International Securities Limited

Yue Xiu Securities Company Limited

Yuen Meta (International) Securities Limited

TFI Securities and Futures Limited

Patrons Securities Limited

New Industrial Financial Holdings Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 1,011,240 Hong Kong Offer Shares and the International Offering of initially 9,101,040 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure of the Global Offering" as well as to the Over-allotment Option in the case of the International Offering.

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong in accordance with the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this prospectus (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any H Shares to be converted from Domestic Shares on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set forth in the Hong Kong Underwriting Agreement being satisfied (or, as the case may be, waived), the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable portions of the Hong Kong Offer Shares in aggregate, now being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement. The Hong Kong Underwriting Agreement is conditional on and subject to, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

The Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) may in their sole and absolute discretion and upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

(a) there develops, occurs, exists or comes into force:

(i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), or other jurisdictions relevant to our Group or the Global Offering (each a "Relevant Jurisdiction" and collectively, the "Relevant Jurisdictions"); or

(ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

(iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, in or affecting any of the Relevant Jurisdictions, or without limiting the foregoing, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)), or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or

(iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or

(v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(vi) other than with the prior written consent of the Sponsor-OCs (which consent shall not be unreasonably withheld or delayed), the issue or requirement to issue by our Company of a supplement or amendment to this prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or

(vii) the commencement by any competent authority or other competent regulatory or political body or organization of any public action or investigation against a member of our Group ("Group Company"), a director (except for the independent non-executive Director), or a senior management member of the Company, or announcing an intention to take any such action; or

(viii) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any Group Company or any of our Controlling Shareholders by the competent Authority of any Relevant Jurisdiction, or the withdrawal of trading privileges which any Group Company or any of the Controlling Shareholders was entitled to on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by the competent Authority of any Relevant Jurisdiction; or

(ix) any valid demand by creditors for payment or repayment of indebtedness of any Group Company or in respect of which any Group Company is liable prior to its stated maturity; or

(x) any non-compliance of this prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC filings or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

(xi) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any Group Company or any Controlling Shareholder or any Director (except for the independent non-executive Director) or senior management member as named in this prospectus; or

(xii) any contravention by any Group Company or any Director (except for the independent non-executive Director) of the Listing Rules or applicable laws; or

(xiii) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters):

(1) has or will or may have a material adverse effect, or any development involving a prospective material adverse effect, on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Company or our Group as a whole ("Material Adverse Effect"); or

(2) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or

(3) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the offering documents; or

(4) has or will or may have the effect of making any material part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Joint Sponsors and the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) that:

(i) any statement contained in any of the offering documents, the CSRC filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the "Global Offering Documents") was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

(ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission or misstatement in any Global Offering Document; or

(iii) any material breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by our Company or our Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(iv) any event, act or omission which gives rise or is likely to give rise to any material liability of any of the indemnifying parties pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

(v) any material breach of any of the obligations or undertakings imposed upon our Company or any member of our Controlling Shareholders to the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(vi) that the Chairman of the Board, any Director (except for the independent non-executive Director) or any member of senior management of our Company named in this prospectus seeks to retire, or is removed from office or vacating his/her office; or

(vii) any Director or any member of senior management of our Company named in this prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company which has or will or may have a Material Adverse Effect; or

(viii) our Company withdraws this prospectus, offering circular or the Global Offering; or

(ix) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

(x) any experts (other than any of the Joint Sponsors) has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(xi) any prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

(xii) a valid order or petition is presented for the winding-up or liquidation of our Company or our principal subsidiaries named in this prospectus, makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of our Company or any of our principal subsidiaries named in this prospectus or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of our Company or any of our principal subsidiaries named in this prospectus or anything analogous thereto occurs in respect of our Company or any of our principal subsidiaries named in this prospectus; or

(xiii) (1) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings is rejected, withdrawn, revoked or invalidated; or (2) other than with the prior written consent of the Sponsor-OCs, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC filings pursuant to the CSRC rules or upon any requirement or request of the CSRC; or

(xiv) that a material portion of the orders placed or confirmed in the bookbuilding process or has been withdrawn, terminated or cancelled, or with respect to which the payment of such material portion of the relevant orders has not been received or settled in the stipulated time and manner or otherwise.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by our Company

Pursuant to 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that, no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued by our Company or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the commencement of dealing), except (a) pursuant to the Global Offering (including the Over-allotment Option); or (b) in certain circumstances prescribed by Rule 10.08 of the Listing Rules.

Undertakings by our Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange that, except pursuant to the Global Offering (including the Over-allotment Option), he/it will not and will procure that the relevant registered holder(s) will not, without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirements of the Listing Rules:

(a) in the period commencing on the date by reference to which disclosure of his/her/its shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date (the "First Six-Month Period"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those securities of our Company in respect of which he/it is shown by this prospectus to be the beneficial owner (the "Relevant Securities"); and

(b) in the period of six months from the expiry of the First Six-Month Period (the "Second Six-Month Period"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be a controlling shareholder of our Company as defined in the Listing Rules.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has further undertaken to our Company and the Stock Exchange that, during the First Six-Month Period and the Second Six-Month Period, he/it will:

(a) when he/it pledges or charges any securities of our Company beneficially owned by him/it as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform our Company of such pledge or charge together with the number of Relevant Securities so pledged or charged; and

(b) when he/it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged securities of our Company will be disposed of, immediately inform our Company in writing of such indications.

Our Company will inform the Stock Exchange as soon as we have been informed of the matters referred to in paragraphs (a) and (b) above by any of our Controlling Shareholders and subject to the then applicable requirements of the Listing Rules disclose such matters by way of an announcement.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company and our Controlling Shareholders in respect of our Company

Our Company has undertaken to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time during the First Six-Month Period, we will not, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or any other securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of our Company, as applicable), or deposit any share capital or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or

(c) enter into any transaction with the same economic effect as any transaction described in paragraph (a) or (b) above; or

(d) offer to or agree to do any of the foregoing specified in paragraph (a), (b) or (c) or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six-Month Period). Our Company has further agreed that, in the event our Company is allowed to enter into any of the transactions described in paragraph (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the Second Six-Month Period, we will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of our Company will, create a disorderly or false market for any Shares or other securities of our Company.

Each of our Controlling Shareholders has undertaken to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that he/it will procure our Company to comply with the above undertakings.

Our Company has agreed and undertaken to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that it will, and each of our Controlling Shareholders has undertaken to procure that our Company will, comply with the minimum public float requirements (the "Minimum Public Float Requirement") and the minimum free float requirements (the "Minimum Free Float Requirement") specified in the Listing Rules upon the Listing, and it will not (i) effect any purchase of the Shares, or agree to do so, which may reduce the holdings of the Shares held by the public (as defined in Rule 8.24 of the Listing Rules) to below the Minimum Public Float Requirement or any waiver granted and not revoked by the Stock Exchange prior to the expiration of the Second Six-Month Period without first having obtained the prior written consent of the Joint Sponsors and the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters); or (ii) enter into any agreement, arrangement or transaction which shall cause or have the effect of causing the portion of the H Shares that are held by the public and that are available for trading and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) on the Listing Date to fall below the Minimum Free Float Requirement under Rule 19A.13C of the Listing Rules.

Undertakings by our Controlling Shareholders in respect of themselves

Each of our Controlling Shareholders has agreed and undertaken to each of our Company, the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) he/it will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for him/it and the companies controlled by him/it will not, at any time during the First Six-Month Period, (i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or deposit any H Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any H Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of H Shares or other securities of our Company or in cash or otherwise, and whether or not the transactions will be completed within the First Six-Month Period;

(b) he/it will not, during the Second Six-Month Period, enter into any of the transactions specified in (a)(i), (ii) or (iii) above or offer to or agree to contract to or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, he/it will cease to be a controlling shareholder of our Company or a member of a group of controlling shareholders of our Company or would together with the other controlling shareholders cease to be controlling shareholders of our Company; and

(c) until the expiry of the Second Six-Month Period, in the event that he/it enters into any of the transactions specified in (a)(i), (ii) or (iii) or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, he/it will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of our Company.

Indemnity

Our Company and our Controlling Shareholders have agreed to indemnify, among others, the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including, amongst others, losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company of the Hong Kong Underwriting Agreement.

Hong Kong Underwriters' Interests in our Company

Save for their obligations under the Hong Kong Underwriting Agreement, the Hong Kong Underwriters do not have any shareholding interest in our Company or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in our Company or any member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement with our Controlling Shareholders, the Overall Coordinators and the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set forth therein, the International Underwriters would agree to purchase, or procure subscribers to purchase, the Offer Shares being offered pursuant to the International Offering (subject to, amongst others, any reallocation between the International Offering and the Hong Kong Public Offering). It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors are reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Over-allotment Option

Our Company is expected to grant to the International Underwriters, exercisable in whole or in part by the Sponsor-OCs at their sole and absolute discretion (for themselves and on behalf of the International Underwriters), the Over-Allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot, up to an aggregate of 1,516,800 H Shares, representing approximately 15% of the initial Offer Shares, at the Offer Price under the International Offering, to cover over-allocations in the International Offering, if any.

Commissions and Expenses

The Capital Market Intermediaries will receive an underwriting commission of 3% of the aggregate gross proceeds from the Global Offering (including any proceeds arising from exercise of the Over-allotment Option) (the "Fixed Fees"), out of which they will pay any sub-underwriting commissions and other fees. In addition, our Company may, at our sole and absolute discretion, pay any one or more of the Capital Market Intermediaries an incentive fee of an aggregate of up to 1% of the gross proceeds from the Global Offering (including any proceeds arising from exercise of the Over-allotment Option) (the "Discretionary Fees").

As of the date of this prospectus, the allocation of a portion of the Fixed Fees remains subject to the Company's discretion. According to the Listing Rules, any unallocated portion of the Fixed Fees will be regarded as discretionary fees. Accordingly, assuming the Discretionary Fees will be paid in full, the ratio of the Fixed Fees and Discretionary Fees (as classified under and for the purpose of Rule 3A.34 of the Listing Rules) payable by the Company to all Capital Market Intermediaries (both before and after the exercise of the Over-allotment Option, if any) is expected to be 53:47. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

The aggregate underwriting commissions, incentive fee (if any), documentation fee, listing fees, Stock Exchange trading fee and transaction levies, legal and other professional fees, and printing and other expenses in relation to the Global Offering are estimated to amount to approximately HK$60.0 million in total (based on the Offer Price of HK$39.55 per Offer Share, assuming full payment of the discretionary fees and the Over-allotment Option is not exercised), and are payable by our Company.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "Syndicate Members") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases. All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering" in this prospectus. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

- the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions. In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

JOINT SPONSORS' INDEPENDENCE

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

- the Hong Kong Public Offering of initially 1,011,240 H Shares (subject to reallocation as mentioned below) for subscription by the public in Hong Kong as described in the paragraph headed "— The Hong Kong Public Offering" below; and

- the International Offering of initially 9,101,040 H Shares (subject to reallocation and the Over-allotment Option as mentioned below) outside the United States (including professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, under the U.S. Securities Act, or any other available exemption from the registration requirements under the U.S. Securities Act, as described in the paragraph headed "— the International Offering" below.

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 10.00% of the enlarged issued share capital of our Company immediately after completion of the Global Offering without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 11.33% of the enlarged issued share capital of our Company immediately after completion of the Global Offering and the exercise of the Over-allotment Option as set out in "— The International Offering — Over-allotment Option" below.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Hong Kong Offer Shares Initially Offered

We are initially offering 1,011,240 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.00% of the total number of the Offer Shares initially available under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 1.00% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). Completion of the Hong Kong Public Offering is subject to the conditions as set forth in "— Conditions of the Global Offering" below.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

Allocation

Allocation of the Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than the others who have applied for the same number of the Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of the Offer Shares initially available under the Hong Kong Public Offering (after taking into account any allocation) is to be divided equally into two pools (subject to adjustment of odd lot size): Pool A and Pool B (with any odd board lots being allocated to pool A). All valid applications that have been received for Hong Kong Offer Shares with an aggregate subscription price (excluding brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of HK$5 million or below will fall into pool A. All valid applications that have been received for Hong Kong Offer Shares with an aggregate subscription price (excluding brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of over HK$5 million and up to the total value of pool B will fall into pool B.

Applicants should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this subsection only, the "price" for the Hong Kong Offer Shares means the price payable on application therein, which is HK$39.55. Applicants can only receive an allocation of the Offer Shares from either Pool A or Pool B but not from both pools.

Multiple or suspected multiple applications and any application for more than 505,620 Hong Kong Offer Shares (being approximately 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) are liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-OCs. Subject to the allocation cap described in the subsequent paragraph, the Sponsor-OCs may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Sponsor-OCs will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-OCs deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 505,620 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 1,516,800 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Thursday, June 25, 2026.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him/her that he/she and any person(s) for whose benefit he/she is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application under the International Offering is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK$39.55 per Offer Share in addition to the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable on each Offer Share. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of International Offer Shares Initially Offered

The International Offering will consist of an initial offering of 9,101,040 Offer Shares, representing approximately 90.00% of the total number of Offer Shares initially available under the Global Offering and approximately 9.00% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering and assuming that the Over-allotment Option is not exercised.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "— Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and the Shareholders as a whole.

The Sponsor-OCs (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Sponsor-OCs so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the International Offering.

Reallocation

The total number of the Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the reallocation arrangement described in "— The Hong Kong Public Offering — Reallocation" above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering to the International Offering.

Over-allotment Option

Our Company is expected to grant to the International Underwriters, exercisable in whole or in part by the Sponsor-OCs at their sole and absolute discretion (for themselves and on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue, up to an aggregate of 1,516,800 H Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 1.48% of the total number of Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date, to the extent permitted by applicable laws. However, there is no obligation on the Stabilizing Manager, its affiliates or any persons acting for it, to conduct any such stabilizing action. Such stabilization action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time and (c) is required to end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilizing action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), as amended, includes (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (ii) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in paragraph (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager, its affiliates or any person acting for it may, in connection with the stabilizing action, maintain a long position in the H Shares;

- there is no certainty regarding the extent to which and the time or period for which the Stabilizing Manager, its affiliates or any person acting for it, will maintain such a long position;

- liquidation of any such long position by the Stabilizing Manager, its affiliates or any person acting for it may have an adverse impact on the market price of the H Shares;

- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilizing period which will begin on the Listing Date, and is expected to expire on Thursday, July 23, 2026, being the 30th day after the date of closing of the application lists under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;

- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

- stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the H Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 1,516,800 H Shares (representing approximately 15% of the initial Offer Shares), through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be paid before the Listing Date. Both the size of such cover and the extent to which the Over-Allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-Allotment Option will not be exercised.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) will be made within seven days of the expiration of the stabilization period.

Over-allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Overall Coordinators, their affiliates or any person acting for them may cover such over-allocation by using H Shares purchased by the Stabilizing Manager, its affiliates or any person acting for it in the secondary market, exercising the Over-allotment Option in full or in part, or by a combination of these means. Any such purchases will be made in accordance with the laws, rules and regulations in place in Hong Kong on stabilization. The number of H Shares which can be over-allocated will not exceed the number of the H Shares which may be allotted and/or issued pursuant to the exercise in full of the Over-allotment Option, being 1,516,800 H Shares, representing approximately 15.00% of the Offer Shares initially available under the Global Offering.

PRICING AND ALLOCATION

The Offer Price will be HK$39.55 per Offer Share unless otherwise announced. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK$39.55 for each Hong Kong Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015%, and Stock Exchange trading fee of 0.00565%, amounting to a total of HK$2,396.92 for one board lot of 60 H Shares.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with our consent, reduce the number of Offer Shares and/or the Offer Price as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company at **www.keytop.com.cn** and the Stock Exchange and **www.hkexnews.hk**, an announcement to cancel the Global Offering. Our Company will then relaunch of the offer at the revised number of Offer Shares and/or the revised Offer Price with a supplemental or new prospectus as required under Rule 11.13 of the Listing Rules on the FINI platform.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such announcement or supplemental or new prospectus, the number of Offer Shares and/or the Offer Price will not be reduced.

In the event of a reduction in the number of Offer Shares, the Sponsor-OCs (for themselves and on behalf of the Underwriters) may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering in accordance with Chapter 4.14 of the Guide published by the Stock Exchange and paragraph 4.2 of Practice Note 18 of the Listing Rules, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares available under the Global Offering. Subject to the foregoing paragraph, the Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Sponsor-OCs (for themselves and on behalf of the Underwriters).

The level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional. We expect that we will enter into the International Underwriting Agreement relating to the International Offering on the date of the International Underwriting Agreement. The underwriting arrangements under the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptances of all applications for Offer Shares will be conditional on:

(a) the Listing Committee granting the approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any H Shares to be converted from Domestic Shares on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;

(b) the execution and delivery of the International Underwriting Agreement on or about the date of the International Underwriting Agreement; and

(c) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective Underwriting Agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will as soon as possible publish or cause to be published a notice of the lapse of the Hong Kong Public Offering on the websites of our Company at **www.keytop.com.cn** and the Stock Exchange at **www.hkexnews.hk**. In such eventuality, all application monies will be returned, without interest, on the terms set forth in the section headed "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), as amended.

H Share certificates issued in respect of the Hong Kong Offer Shares will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects (including the Underwriting Agreements not having been terminated in accordance with their terms) at any time prior to 8:00 a.m. on the Listing Date.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any H Shares to be converted from Domestic Shares. No part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made to enable the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisor for details of those settlement arrangements and how such arrangements will affect their rights and interests.

DEALING IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, June 26, 2026, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, June 26, 2026. The H Shares will be traded on the Main Board of the Stock Exchange in board lots of 60 H Shares each. The stock code of the H Shares will be 02272.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.keytop.com.cn.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address (for the **HK eIPO White Form** service only); and
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing beneficial owner of any shares in our Company and/or any of our subsidiaries;
- are a director, supervisor or chief executive officer of our Company and/or any of our subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above; and
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Wednesday, June 17, 2026 and end at 12:00 noon on Tuesday, June 23, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	Website: www.hkeipo.hk	Applicants who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Wednesday, June 17, 2026 to 11:30 a.m. on Tuesday, June 23, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, June 23, 2026, Hong Kong time.
HKSCC EIPO channel	Your **broker** or **custodian** who is a HKSCC Participant will submit **electronic application instruction(s)** on your behalf through HKSCC's FINI system in accordance with your instruction	Applicants who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

The **HK eIPO White Form** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under **HK eIPO White Form** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of **HK eIPO White Form** service.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. Hong Kong identity ("HKID") card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. Legal entity identifier ("LEI") registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong residents and Hong Kong permanent residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at four in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	60 H Shares
Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment	:	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below. The Offer is HK$39.55 per Offer Share. If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the **broker** or **custodian**, based on the applicable laws and regulations in Hong Kong You are responsible for complying with any such pre-funding requirement imposed by your **broker** or **custodian** with respect to the Hong Kong Offer Shares you applied for.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your **broker** or **custodian**.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Offer Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable(2) on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
60	2,396.92	1,200	47,938.63	10,500	419,463.04	135,000	5,393,096.34
120	4,793.87	1,500	59,923.29	12,000	479,386.33	150,000	5,992,329.27
180	7,190.79	1,800	71,907.95	13,500	539,309.64	300,000	11,984,658.53
240	9,587.73	2,100	83,892.60	15,000	599,232.93	450,000	17,976,987.79
300	11,984.66	2,400	95,877.26	30,000	1,198,465.86	505,620(1)	20,198,943.49
360	14,381.58	2,700	107,861.92	45,000	1,797,698.78		
420	16,778.52	3,000	119,846.58	60,000	2,396,931.70		
480	19,175.45	4,500	179,769.89	75,000	2,996,164.63		
540	21,572.39	6,000	239,693.18	90,000	3,595,397.56		
600	23,969.32	7,500	299,616.46	105,000	4,194,630.48		
900	35,953.97	9,000	359,539.75	120,000	4,793,863.41		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any Offer Shares.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("Best Practice Note") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(a) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(b) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your **broker** or **custodian**), and agree to be bound by them;

(c) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your **broker** or **custodian** and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(d) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(e) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(f) agree that the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering (the "Relevant Persons"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(g) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraphs headed "— G. Personal Data — 3. Purposes" and "— G. Personal Data — 4. Transfer of personal data" in this section;

(h) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(i) agree that subject to section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(j) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(k) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(l) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(m) confirm that (i) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by our Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of our Company or any of our subsidiaries or any of their respective close associates; and (ii) you are not accustomed or will not be accustomed to taking instructions from our Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of our Company or any of our subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(n) warrant that the information you have provided is true and accurate;

(o) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(p) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(q) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(r) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and

(s) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and the **HK eIPO White Form** Service Provider and (ii) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **HK eIPO White Form** service or **HKSCC EIPO** channel:		
Website	From the "Allotment Results" page on the designated results of allocations website at **www.tricor.com.hk/ipo/result** or **www.hkeipo.hk/IPOResult** with a "search by ID" function.	24 hours, from 11:00 p.m. on Thursday, June 25, 2026 to 12:00 midnight on Wednesday, July 1, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result**.	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.keytop.com.cn** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Thursday, June 25, 2026 (Hong Kong time)
Telephone	+852 3691 8488 — the allocation results telephone inquiry line provided by the H Share Registrar.	between 9:00 a.m. and 6:00 p.m., from Friday, June 26, 2026 to Thursday, July 2, 2026 (Hong Kong time) on a business day

For those applying through **HKSCC EIPO** channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Wednesday, June 24, 2026 (Hong Kong time)

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, June 24, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.keytop.com.cn** by no later than 11:00 p.m. on Thursday, June 25, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated; or
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Offer Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted H Shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DISPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Friday, June 26, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised. Investors who trade Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	**HKSCC EIPO channel**
Dispatch/collection of H Share certificate[1]		
For application of 500,000 Hong Kong Offer Shares or more . . .	Collection in person from the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong **Time**: from 9:00 a.m. to 1:00 p.m. on Friday, June 26, 2026 (Hong Kong time) If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required

	HK eIPO White Form service	HKSCC EIPO channel
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. **Note**: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
For application of less than 500,000 Hong Kong Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk **Date**: Thursday, June 25, 2026	
Refund mechanism for surplus application monies paid by you		
Date	Friday, June 26, 2026	Subject to the arrangement between you and your **broker** or **custodian**
Responsible party	H Share Registrar	Your **broker** or **custodian**
Application monies paid through single bank account	**HK eIPO White Form** e-Auto Refund payment instructions to your designated bank account	Your **broker** or **custodian** will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund check(s) will be dispatched to the address as specified in your application instructions by ordinary post at your own risk	

1. Except in the event of any of the Severe Weather Signals (as defined below) in force in Hong Kong in the morning on Thursday, June 25, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, our Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— E. Severe Weather Arrangements" in this section.

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, June 23, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, "Severe Weather Signals"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, June 23, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.keytop.com.cn** of the revised timetable.

If a Severe Weather Signal is hoisted on Thursday, June 25, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Friday, June 26, 2026.

If a Severe Weather Signal is hoisted on Thursday, June 25, 2026, for application of less than 500,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, June 25, 2026 or on Friday, June 26, 2026.

If a Severe Weather Signal is hoisted on Friday, June 26, 2026, for application of 500,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar's office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Friday, June 26, 2026 or on Monday, June 29, 2026.

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by our Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agreed to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to our Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of our Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the dispatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform our Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund check and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of our Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from our Company and our subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;

- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable our Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by our Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisors and receiving bank;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

Our Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-76, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 廈門科拓通訊技術股份有限公司 KEYTOP PARKING INC., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CMBC INTERNATIONAL CAPITAL LIMITED

INTRODUCTION

We report on the historical financial information of 廈門科拓通訊技術股份有限公司 KEYTOP PARKING INC. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-76, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements for each of the years ended 31 December 2023, 2024 and 2025 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-76, forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 17 June 2026 (the "Prospectus") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

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

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2023, 2024 and 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in note 1 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 30(b) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

17 June 2026

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi)

		Year ended 31 December		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*4*	738,015	799,511	830,615
Cost of sales		(395,295)	(432,576)	(445,406)
Gross profit		342,720	366,935	385,209
Other net income	*5*	39,783	19,494	21,235
Selling expenses		(154,136)	(159,509)	(153,838)
Administrative expenses		(63,632)	(65,237)	(91,353)
Research and development expenses		(42,613)	(45,029)	(44,346)
Impairment loss on investment properties		(3,236)	(884)	(1,114)
Impairment loss on other non-current assets		(924)	(867)	(330)
Impairment loss on trade receivables and contract assets		(12,362)	(9,588)	(2,846)
Impairment loss on bill receivables and other receivables		(191)	(3,025)	(1,528)
Profit from operations		105,409	102,290	111,089
Finance costs	*6(a)*	(3,451)	(1,629)	(2,937)
Share of net profits/(losses) of associates and a joint venture	*17*	271	(1,761)	(178)
Profit before taxation	*6*	102,229	98,900	107,974
Income tax	*7(a)*	(15,199)	(12,191)	(14,296)
Profit and total comprehensive income for the year		87,030	86,709	93,678
Attributable to:				
Equity shareholders of the Company		91,876	90,093	97,173
Non-controlling interests		(4,846)	(3,384)	(3,495)
Profit and total comprehensive income for the year		87,030	86,709	93,678
Earnings per share	*10*			
Basic and diluted *(RMB)*		1.01	0.99	1.07

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	As at 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	189,997	180,795	233,583
Investment properties	*12*	21,763	22,519	22,078
Right-of-use assets	*13*	47,374	104,274	100,856
Intangible assets	*14*	395	319	178
Interests in associates	*17*	10,457	8,697	—
Trade receivables	*21(a)*	29,456	43,026	52,287
Deferred tax assets	*29(b)*	55,013	51,926	47,620
Other non-current assets	*16*	6,178	7,949	88,243
		360,633	419,505	544,845
Current assets				
Inventories	*18*	62,940	66,647	53,033
Contract assets	*19(a)*	74,977	87,046	118,212
Other current assets	*20*	118,113	224,360	147,308
Trade and other receivables	*21(a)*	332,939	322,718	287,714
Prepayments	*21(b)*	13,153	27,338	22,989
Financial assets measured at fair value through profit or loss		—	—	215
Restricted bank deposits	*22*	35,551	26,796	61,003
Cash and cash equivalents	*23*	190,384	164,339	190,675
		828,057	919,244	881,149
Current liabilities				
Trade and other payables	*26*	213,334	212,645	181,089
Contract liabilities	*19(b)*	77,109	104,853	102,119
Bank loans	*24*	10,011	29,508	3,061
Lease liabilities	*25*	15,631	30,693	17,341
Current taxation	*29(a)*	7,162	4,705	6,797
		323,247	382,404	310,407
Net current assets		504,810	536,840	570,742
Total assets less current liabilities		865,443	956,345	1,115,587
Non-current liabilities				
Bank loans	*24*	—	—	68,679
Lease liabilities	*25*	15,243	33,991	33,788
Deferred income		5,757	5,645	5,534
		21,000	39,636	108,001
NET ASSETS		844,443	916,709	1,007,586
CAPITAL AND RESERVES				
Share capital	*30(c)*	91,010	91,010	91,010
Reserves		753,389	828,460	924,142
Total equity attributable to equity shareholders of the Company		844,399	919,470	1,015,152
Non-controlling interests		44	(2,761)	(7,566)
TOTAL EQUITY		844,443	916,709	1,007,586

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY
(Expressed in Renminbi)

	Note	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	11	115,624	129,730	134,720
Investment properties	12	24,129	24,794	24,263
Right-of-use assets	13	8,875	10,944	28,996
Intangible assets	14	395	319	178
Investment in subsidiaries	15	186,557	193,597	243,596
Interests in associates	17	10,457	8,697	—
Trade receivables	21(a)	29,456	42,885	52,165
Deferred tax assets	29(b)	39,951	42,803	38,740
Other non-current assets	16	6,151	7,845	6,402
		421,595	461,614	529,060
Current assets				
Inventories	18	51,310	57,287	47,695
Contract assets	19(a)	61,802	77,415	108,396
Other current assets	20	17,896	6,614	32,760
Trade and other receivables	21(a)	584,645	716,030	566,423
Prepayments	21(b)	9,410	23,767	14,722
Financial assets measured at fair value through profit or loss		—	—	215
Restricted bank deposits	22	22,097	16,584	55,178
Cash and cash equivalents	23	162,521	97,585	123,816
		909,681	995,282	949,205
Current liabilities				
Trade and other payables	26	348,372	385,780	320,203
Contract liabilities	19(b)	64,345	91,000	87,619
Lease liabilities	25	2,962	3,767	4,106
		415,679	480,547	411,928
Net current assets		494,002	514,735	537,277
Total assets less current liabilities		915,597	976,349	1,066,337
Non-current liabilities				
Lease liabilities	25	1,884	2,876	3,743
Deferred income		2,736	2,625	2,513
		4,620	5,501	6,256
NET ASSETS		910,977	970,848	1,060,081
CAPITAL AND RESERVES				
Share capital	30(c)	91,010	91,010	91,010
Reserves		819,967	879,838	969,071
TOTAL EQUITY		910,977	970,848	1,060,081

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Renminbi)

		Attributable to equity shareholders of the Company									
	Note	Share capital	Capital reserve	Other reserves	Share-based payment reserve	Share held for incentive scheme	Statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
		RMB'000 *Note 30(c)*	*RMB'000* *Note 30(d)(i)*	*RMB'000* *Note 30(d)(iii)*	*RMB'000* *Note 30(d)(iv)*	*RMB'000*	*RMB'000* *Note 30(d)(ii)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023		90,000	384,240	(7,790)	2,118	—	39,801	301,315	809,684	(27,863)	781,821
Changes in equity for 2023:											
Profit and total comprehensive income for the year		—	—	—	—	—	—	91,876	91,876	(4,846)	87,030
Capital injection from equity shareholders	*30(c)(i)*	1,010	14,640	—	—	—	—	—	15,650	—	15,650
Capital injection from non-controlling interests of a subsidiary		—	—	—	—	—	—	—	—	400	400
Appropriation to statutory reserves		—	—	—	—	—	6,573	(6,573)	—	—	—
Equity-settled share-based transactions	*28*	—	—	(12,213)	(44)	(1,010)	—	—	(13,267)	—	(13,267)
Acquisition of additional interests in subsidiaries		—	—	(59,544)	—	—	—	—	(59,544)	32,962	(26,582)
Dividends to non-controlling interests of subsidiaries		—	—	—	—	—	—	—	—	(609)	(609)
Balance at 31 December 2023 and 1 January 2024		91,010	398,880	(79,547)	2,074	(1,010)	46,374	386,618	844,399	44	844,443

The accompanying notes form part of the Historical Financial Information.

	Note	Attributable to equity shareholders of the Company								Non-controlling interests	Total equity
		Share capital	Capital reserve	Other reserves	Share-based payment reserve	Share held for incentive scheme	Statutory reserves	Retained earnings	Total		
		RMB'000 *Note 30(c)*	*RMB'000* *Note 30(d)(i)*	*RMB'000* *Note 30(d)(iii)*	*RMB'000* *Note 30(d)(iv)*	*RMB'000*	*RMB'000* *Note 30(d)(ii)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Changes in equity for 2024:											
Profit and total comprehensive income for the year		—	—	—	—	—	—	90,093	90,093	(3,384)	86,709
Dividends declared to equity shareholders		—	—	—	—	—	—	(20,000)	(20,000)	—	(20,000)
Capital injection from non-controlling interests of a subsidiary		—	—	—	—	—	—	—	—	979	979
Capital reduction by non-controlling interests of a subsidiary		—	—	—	—	—	—	—	—	(400)	(400)
Equity-settled share-based transactions	*28*	—	—	1,633	3,345	—	—	—	4,978	—	4,978
Balance at 31 December 2024 and 1 January 2025		91,010	398,880	(77,914)	5,419	(1,010)	46,374	456,711	919,470	(2,761)	916,709

The accompanying notes form part of the Historical Financial Information.

		Attributable to equity shareholders of the Company									
	Note	Share capital	Capital reserve	Other reserves	Share-based payment reserve	Share held for incentive scheme	Statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
		RMB'000 *Note 30(c)*	*RMB'000* *Note 30(d)(i)*	*RMB'000* *Note 30(d)(iii)*	*RMB'000* *Note 30(d)(iv)*	*RMB'000*	*RMB'000* *Note 30(d)(ii)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Changes in equity for 2025:											
Profit and total comprehensive income for the year		—	—	—	—	—	—	97,173	97,173	(3,495)	93,678
Dividends declared to equity shareholders		—	—	—	—	—	—	(20,000)	(20,000)	—	(20,000)
Dividends to non-controlling interests of a subsidiary		—	—	—	—	—	—	—	—	(1,800)	(1,800)
Capital injection from non-controlling interests of a subsidiary		—	—	—	—	—	—	—	—	490	490
Equity-settled share-based transactions	28	—	—	16,285	1,362	862	—	—	18,509	—	18,509
Balance at 31 December 2025		91,010	398,880	(61,629)	6,781	(148)	46,374	533,884	1,015,152	(7,566)	1,007,586

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED CASH FLOW STATEMENTS

(Expressed in Renminbi)

	Note	Year ended 31 December 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Operating activities				
Cash generated from operations	23(b)	198,267	77,982	151,935
Income tax paid		(16,242)	(11,561)	(7,898)
Net cash generated from operating activities		182,025	66,421	144,037
Investing activities				
Payment for purchase of property, plant and equipment		(57,636)	(49,359)	(103,955)
Proceeds from disposal of property, plant and equipment		9,978	3,143	5,213
Placement of structured deposits		(90,000)	(210,000)	(510,000)
Maturity of structured deposits		90,436	211,409	510,552
Proceeds from disposal of financial assets measured at fair value through profit or loss		—	—	621
Maturity of fixed deposits with banks with original maturity over three months		31,000	—	—
Interest received		5,182	1,520	1,117
Payment for purchase of leasehold land	23(d)	(9,476)	(12,113)	(16,480)
Investments in associates		(660)	—	—
Investment in a joint venture		—	—	(460)
Proceeds from deregistration of an associate		—	—	8,291
Proceeds from disposal of an associate		—	—	150
Net cash used in investing activities		(21,176)	(55,400)	(104,951)
Financing activities				
Capital element of lease rentals paid	23(c)	(17,013)	(35,251)	(28,185)
Interest element of lease rentals paid	23(c)	(1,372)	(1,283)	(2,810)
Proceeds from bank loans	23(c)	49,500	32,000	71,679
Repayments of bank loans	23(c)	(108,500)	(12,500)	(29,500)
Interests paid	23(c)	(2,122)	(349)	(634)
Payment of listing expenses		—	—	(1,995)
Capital injections from equity shareholders		15,650	—	—
Capital injections from non-controlling interests of subsidiaries		400	979	490
Capital reduction by non-controlling interests of a subsidiary		—	(400)	—
Acquisition of additional interests in subsidiaries		(26,582)	—	—
Dividends to equity shareholders		—	(20,000)	(20,000)
Dividends to non-controlling interests of subsidiaries		(609)	—	(1,800)
Net cash used in financing activities		(90,648)	(36,804)	(12,755)
Net increase/(decrease) in cash and cash equivalents		70,201	(25,783)	26,331
Cash and cash equivalents at the beginning of the year	23(a)	120,274	190,384	164,339
Effect of foreign exchange rate changes		(91)	(262)	5
Cash and cash equivalents at the end of the year	23(a)	190,384	164,339	190,675

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 Basis of preparation and presentation of the Historical Financial Information

KEYTOP PARKING INC. (廈門科拓通訊技術股份有限公司) (the "Company") was established in the People's Republic of China (the "PRC") on 27 June 2006 as a limited liability company under the Company laws of the PRC. The Company was converted into a joint stock limited liability company on 28 August 2011.

The Company and its subsidiaries (together, "the Group") are principally engaged in providing of smart parking systems and smart parking management services to parking facilities and operating of parking facilities.

The financial statements of the Company for the years ended 31 December 2023 prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC ("PRC GAAP") have been audited by Xiamen Zhongyou Certified Public Accountants Co., Ltd. (廈門中友會計師事務所有限公司). The financial statements of the Company for the years ended 31 December 2024 and 2025 prepared in accordance with PRC GAAP have been audited by Xiamen Hongzheng Certified Public Accountants Co., Ltd. (廈門泓正會計師事務所有限公司).

During the Track Record Period and as at the date of this report, the Company has direct interests in the following principal subsidiaries since their establishment, which are private companies:

Company name	Date and place of establishment and operation	Particulars of registered capital/ issued and paid-up capital	Proportion of ownership interests — Held by the Company	Proportion of ownership interests — Held by the subsidiary	Principal activities
Xiamen Keytop Software Research and Development Center Co., Ltd. ("廈門科拓軟件研發中心有限公司") *(notes (a) & (b))*	2 September 2016/PRC	RMB5,000,000/ RMB5,000,000	100%	—	Software research and development
Fujian Subo Parking Services Co., Ltd. ("福建速泊停車服務有限公司") *(notes (a) & (b))*	17 December 2018/PRC	RMB50,000,000/ RMB50,000,000	100%	—	Parking services
Keytop West Communications Technology Co., Ltd. ("科拓西部通訊技術有限公司") *(notes (a) & (b))*	29 July 2022/PRC	RMB50,000,000/ RMB20,000,000	100%	—	Internet of things ("IoT") technology services

Notes:

(a) The official name of this entity is in Chinese. The English translation is for identification purpose only. The company was registered as a limited liability company under the PRC Company Law.

(b) No audited financial statements have been prepared for this entity for the years ended 31 December 2023, 2024 and 2025.

All companies comprising the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB"). Further details of the material accounting policy information are set out in note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards throughout the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning on 1 January 2025 are set out in note 35.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

2 Material accounting policy information

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that certain financial assets are stated at their fair value as explained in note 2(e).

The Historical Financial Information is presented in Renminbi ("RMB"), rounded to the nearest thousands ("RMB'000"), unless otherwise indicated. Most of the companies comprising the Group are operating in Chinese Mainland and their functional currency is RMB, hence, RMB is used as the presentation currency of the Group.

(b) Use of estimates and judgements

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statements of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statements of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the period between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(j)(ii)).

(d) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see note 2(j)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

(e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

— amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(t)(ii)(c)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

— FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

— FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 2(t)(ii)(b)).

(f) Investment property

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are accounted for using the cost model. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale. The estimated useful lives of investment properties are 30 years.

Any gain or loss on disposal of investment properties is recognised in profit or loss. Rental income from investment properties is recognised in accordance with note 2(t)(ii)(a).

(g) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 2(j)(ii)):

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

— Properties and buildings	10–30 years
— Operational equipment	5–8 years
— Vehicles	5 years
— Office equipment	3–5 years
— Machinery and other equipment	3–5 years
— Leasehold improvements	The shorter of the lease terms or the estimated useful life of the assets

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Intangible assets (other than goodwill)

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(j)(ii)).

Expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

— Software	2–5 years

The useful life of software was assessed based on the expected service life during which relevant software performs its desired functionality.

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(g) and 2(j)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policies applicable to investments in non-equity securities carried at amortised cost (see notes 2(e)(i), 2(t)(ii)(c) and 2(j)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(t)(ii)(a).

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables (included in trade and other receivables)

The Group assesses a loss allowance for expected credit losses ("ECLs") on:

— financial assets measured at amortised cost (including cash and cash equivalents, restricted bank deposits, fixed deposits with banks with original maturity over three months and trade and other receivables);

— contract assets (see note 2(l)); and

— lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following discount rates if the effect is material:

— fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

— variable-rate financial assets: current effective interest rate; and

— lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

— lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

— financial instruments that are determined to have low credit risk at the reporting date; and

— other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables without a significant financing component and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

— the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

— the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or being more than 90 days past due;

— the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

— it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value as follows:

Costs is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(t)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 2(j)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 2(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(t)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 2(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(t)(i)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 2(j)(i)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 2(j)(i)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(v).

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The equity amounts are recognised in the share-based payment reserve until the awarded share is vested (when it is transferred to the other reserves account).

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the period and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

— temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

— taxable temporary differences arising on the initial recognition of goodwill; and

— those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the

Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, and the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

When another party is involved in providing products or services to a customer, the Group assesses whether it acts a principal or as an agent. The assessment is based on whether the Group obtains control of the products or services before they are transferred to the customer. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from products or services.

Where the contract contains a financing component which provides a significant financing benefit to the customer, the Group adjusts the promised amount of consideration for the effects of time value of money by using a discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

In addition, the Group has applied the practical expedient for contracts with an original expected duration of one year or less. Consequently, the Group has not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121(a) of IFRS 15.

(a) Revenue from smart parking systems business model

The Group sells standardised hardware products to the customers, along with optional value-added services. These services include access to cloud-based software systems which is a "software as a service" (SaaS) arrangement, implementation services and service-type warranty services as part of the smart parking systems offered to customers.

The consideration received is allocated to the respective performance obligation with reference to their relative stand-alone selling prices. The stand-alone selling price is determined based on the observable prices of products or services in which the Group sells in separate transactions.

The Group offers an assurance-type warranty for hardware products for 12 to 24 months from the date of sale. A related provision is recognised in accordance with note 2(s).

(i) Sales of hardware products

Revenue for sales of hardware products is recognised when the customer takes possession of and accepts the hardware product.

(ii) SaaS arrangements

Revenue from SaaS arrangements is recognised over time on a straight-line basis throughout the expected service period, during which the customers are expected to use and benefit from the Group's cloud-based software systems (which is typically 5 years).

(iii) Implementation services

Revenue for implementation services is recognised over time based on the cost-to-cost method.

(iv) Service-type warranty services

Revenue from the service-type warranty service is recognised over time on a straight-line basis over the warranty period.

(b) Revenue from smart parking management services business model

The Group provides smart parking management services to owners and/or operators of the parking facilities to support their operations. These smart parking management services are delivered through the Group's proprietary cloud-based software systems and hardware facilities. Revenue is recognised over time on a straight-line basis throughout the service period.

(c) Revenue from parking services

The Group operates certain parking facilities and directly provides parking services to car drivers. Revenue from parking services is recognised over time as the parking service is provided.

(d) Revenue from other services

Other services include online and offline advertising services and provision of fee collection services. Revenue is recognised when the service is delivered.

(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(b) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(c) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Government grants

Government grants are recognised in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are initially recognised as deferred income and subsequently recognised in profit or loss on a systematic basis over the useful life of the asset.

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 Accounting judgements and estimates

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(i) Determining the lease term

As explained in note 2(i), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(ii) Value added tax (the "VAT") and income tax

The Group mainly generates revenue from provision of smart parking systems and smart parking management services to parking facilities and operation of parking facilities in Chinese Mainland during the years ended 31 December 2023, 2024 and 2025. The Group is subject to VAT and income tax in Chinese Mainland. Evaluation of relevant tax positions of the Group involves judgment as to the interpretation and application of the relevant tax laws. The Group has exercised the best judgement of its tax obligations based on current facts and circumstances.

(b) Sources of estimation uncertainty

Note 28 and note 31(d) contain information about the assumptions and their risk factors relating to fair value of shares granted under employee incentive schemes and financial instruments. Other significant sources of estimation uncertainty except for impairment of investment properties and other non-current assets as mentioned in note 12 and note 16 respectively, are as follows:

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives and residual values of the assets regularly in order to determine the amount of depreciation expenses. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expenses for future periods are adjusted prospectively if there are significant changes from previous estimates.

(ii) Expected credit losses for trade receivables and contract assets

The credit losses for trade receivables and contract assets are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, which are based on the Group's past collection history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see note 31(a). Changes in these assumptions and estimates could materially affect the result of the assessment and the Group may be necessary to make additional loss allowances in future periods.

(iii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of businesses, less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. It could change significantly as a result of changes in customer preferences and competitor actions in response to severe industry cycles. Management reassesses these estimates at the end of each reporting period.

(iv) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses and other deductible temporary differences are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting date. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future periods.

4 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are the provision of smart parking systems and smart parking management services to parking facilities and operation of parking facilities. Further details regarding the Group's principal activities are disclosed in note 4(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by products or service lines is as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by major products or service lines			
Revenue from smart parking systems			
— Sales of hardware products	320,666	289,383	264,159
— Implementation services	112,624	159,278	167,662
— SaaS arrangements	2,840	4,479	6,974
— Service-type warranty services	16,438	25,736	39,142
	452,568	478,876	477,937
Revenue from smart parking management services	186,853	194,726	176,068
Revenue from parking facility and platform operations			
— Revenue from parking services	21,081	24,909	66,087
— Revenue from other services	75,792	99,318	108,977
	96,873	124,227	175,064
	736,294	797,829	829,069
Revenue from other sources			
Gross rentals from investment properties			
— Lease payments that are fixed or depend on an index or a rate	1,721	1,682	1,546
Total	738,015	799,511	830,615

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 4(b)(i) and 4(b)(iii) respectively.

The Group's customer base is diversified and decentralised and the Group does not have any single customer with whom transactions have exceeded 10% of the Group's revenue for the years ended 31 December 2023, 2024 and 2025.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2023, 2024 and 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts are RMB441,741,000, RMB409,384,000 and RMB245,697,000 respectively. These amounts represent revenue expected to be recognised in the future from smart parking management services contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when the services are provided, which is expected to occur over the next 12 to 60 months.

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

(b) Segment reporting

The Group manages its businesses by service lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

— Smart parking systems: this segment is engaged in providing integrated smart parking systems to customers;

— Smart parking management services: this segment is engaged in providing integrated operating support services to customers;

— Parking facility and platform operations: this segment is engaged in operating parking facilities and rendering services to individual parking customers, including online and offline advertising services and provision of collection services; and

— Others: this segment mainly engaged in provision of rental services.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and direct expenses incurred by those segments respectively. The measure used for reporting segment result is gross profit which is calculated based on revenue less cost of sales for the relevant segment. No inter-segment sales have occurred during the years ended 31 December 2023, 2024 and 2025. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other net income, selling expenses, administrative expenses, research and development expenses, impairment loss on investment properties, impairment loss on other non-current assets, impairment loss on trade receivables and contract assets, impairment loss on bill receivables and other receivables, finance costs, share of net profits/(losses) of associates and a joint venture and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, other operating income and expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2023, 2024 and 2025, is set out below.

	Year ended 31 December 2023				
	Smart parking systems	Smart parking management services	Parking facility and platform operations	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Disaggregated by timing of revenue recognition					
— Over time	131,902	186,853	66,170	1,721	386,646
— Point in time	320,666	—	30,703	—	351,369
Reportable segment revenue	452,568	186,853	96,873	1,721	738,015
Reportable segment profit	189,049	108,153	44,312	1,206	342,720

	Year ended 31 December 2024				
	Smart parking systems	Smart parking management services	Parking facility and platform operations	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Disaggregated by timing of revenue recognition					
— Over time	189,493	194,726	84,650	1,682	470,551
— Point in time	289,383	—	39,577	—	328,960
Reportable segment revenue	478,876	194,726	124,227	1,682	799,511
Reportable segment profit	204,640	106,355	54,768	1,172	366,935

	Year ended 31 December 2025				
	Smart parking systems	Smart parking management services	Parking facility and platform operations	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Disaggregated by timing of revenue recognition					
— Over time	213,778	176,068	120,966	1,546	512,358
— Point in time	264,159	—	54,098	—	318,257
Reportable segment revenue	477,937	176,068	175,064	1,546	830,615
Reportable segment profit	219,169	94,754	70,244	1,042	385,209

(ii) Reconciliations of reportable segment profit or loss

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Reportable segment profit	342,720	366,935	385,209
Other net income	39,783	19,494	21,235
Selling expenses	(154,136)	(159,509)	(153,838)
Administrative expenses	(63,632)	(65,237)	(91,353)
Research and development expenses	(42,613)	(45,029)	(44,346)
Impairment loss on investment properties	(3,236)	(884)	(1,114)
Impairment loss on trade receivables and contract assets	(12,362)	(9,588)	(2,846)
Impairment loss on bill receivables and other receivables	(191)	(3,025)	(1,528)
Impairment loss on other non-current assets	(924)	(867)	(330)
Finance costs	(3,451)	(1,629)	(2,937)
Share of net profits/(losses) of associates and a joint venture	271	(1,761)	(178)
Consolidated profit before taxation	102,229	98,900	107,974

(iii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties, right-of-use assets, property, plant and equipment, intangible assets, other non-current assets and interests in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, investment properties, right-of-use assets and other non-current assets, the location of the operation to which they are allocated, in the case of intangible assets, and the location of operations, in the case of interests in associates.

	Revenue from external customers			Specified non-current assets		
	Year ended 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chinese Mainland	730,983	733,915	796,649	276,164	324,217	444,700
Hong Kong	1,250	52,292	20,737	—	336	238
Others	5,782	13,304	13,229	—	—	—
Total	738,015	799,511	830,615	276,164	324,553	444,938

The analysis above includes property rental income from external customers in Chinese Mainland of RMB1,721,000, RMB1,682,000 and RMB1,546,000 for the years ended 31 December 2023, 2024 and 2025 respectively.

5 Other net income

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants *(note (i))*	18,332	13,405	14,148
Net foreign exchange (loss)/gain	(91)	(262)	5
Net fair value changes on financial assets measured at fair value through profit or loss	436	1,409	826
Interest income	3,098	3,432	3,258
Net gain on disposal of property, plant and equipment	3,718	2,032	3,290
Net gain on early termination of a parking facility operation contract	14,230	—	—
Others	60	(522)	(292)
	39,783	19,494	21,235

Note:

(i) Government grants were received from several government authorities to support the business and research and development activity of the Group or in recognition of the Group's contribution towards the local economies.

6 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank loans *(note 23(c))*	2,079	346	687
Interest on lease liabilities *(note 23(c))*	1,372	1,283	2,810
Total interest expense on financial liabilities not at fair value through profit or loss	3,451	1,629	3,497
Less: interest expense capitalised into construction in progress*	—	—	(560)
	3,451	1,629	2,937

* The borrowing costs have been capitalised at a rate of 2.0-3.3% per annum during the year ended 31 December 2025.

(b) Staff costs

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	266,624	275,591	273,102
Equity-settled share-based payment expenses *(note 28)*	2,383	4,978	5,153
Contributions to defined contribution retirement plan	17,205	18,350	20,569
	286,212	298,919	298,824

(c) Other items

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge#			
— owned property, plant and equipment *(note 11)*	58,309	57,382	49,804
— investment properties *(note 12)*	675	992	1,069
— right-of-use assets *(note 13)*	19,620	23,147	35,396
Impairment losses on non-financial assets			
— investment properties	3,236	884	1,114
— other non-current assets	924	867	330
Impairment losses on financial assets			
— trade receivables and contract assets	12,362	9,588	2,846
— bill receivables and other receivables	191	3,025	1,528
Amortisation of intangible assets *(note 14)*	146	144	141
Auditors' remuneration	1,161	1,797	65
Listing expenses	—	—	27,096
Rentals income from investment properties less direct outgoings of RMB515,000, RMB584,000, and RMB504,000 for the years ended 31 December 2023, 2024 and 2025 respectively.	(1,206)	(1,098)	(1,042)
Cost of inventories# *(note 18(a))*	169,034	164,424	155,995

Cost of inventories includes costs relating to staff costs and depreciation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses for the years ended 31 December 2023, 2024 and 2025, respectively.

7 Income tax in the consolidated statements of profit or loss and other comprehensive income

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
PRC Corporate Income Tax ("PRC CIT") and income taxes of other taxation jurisdictions			
Provision for the year	17,488	9,104	9,990
Deferred tax			
Origination and reversal of temporary differences *(note 29(b))*	(2,289)	3,087	4,306
	15,199	12,191	14,296

(i) In accordance with relevant rules and regulations of PRC CIT in Chinese Mainland, the Company and Xiamen Keytop Software Research and Development Center Co., Ltd. were qualified as High and New Technology Enterprise ("HNTE") and were entitled to a preferential income tax rate of 15% for the years ended 31 December 2023, 2024 and 2025.

Keytop West Communications Technology Co., Ltd. was applicable to the tax concession of the Western Development in PRC and entitled to the preferential tax rate of 15% for the year ended 31 December 2024 and 2025.

According to the PRC Corporate Income Tax Law and its implementation regulations, certain subsidiaries of the Group were qualified as "Small Low-profit Enterprise" and enjoyed a reduced corporate income tax rate of 20% and a 75% deduction of annual assessable profits for the years ended 31 December 2023, 2024 and 2025.

All of the other Chinese Mainland subsidiaries of the Group are subject to PRC CIT at a statutory rate of 25% for the years ended 31 December 2023, 2024 and 2025.

(ii) According to the relevant tax rules in Chinese Mainland, qualified research and development expenses are allowed for bonus deduction for income tax purpose, as a result, an additional 100% of the qualified research and development expenses could be deemed as deductible expenses for the years ended 31 December 2023, 2024 and 2025.

(iii) According to the two-tiered profits tax rate regime introduced under the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the "Ordinance"), the first HK$2 million of assessable profits earned by a company will be taxed at 8.25% whilst the remaining assessable profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one company in the group to benefit from the progressive rates. The Ordinance was first effective from the year of assessment 2018/2019.

Accordingly, the provision for Hong Kong Profits Tax for one subsidiary of the Company is calculated in accordance with the two-tiered profits tax rate regime, under which Profits Tax for the first HK$2 million of assessable profits is calculated at 8.25% while the remaining is calculated at 16.5%.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before taxation	102,229	98,900	107,974
Notional tax on profit before taxation, calculated at the applicable rates in the jurisdictions concerned	25,605	24,441	26,555
Statutory tax concession	(7,338)	(7,710)	(8,788)
Tax effect of non-deductible expenses	2,523	2,680	2,452
Tax effect of non-taxable income	(107)	—	—
Tax effect of deductible temporary differences or unused tax losses not recognised	1,998	—	976
Utilisation of previously unrecognised tax losses or other temporary differences	(541)	(351)	(788)
Tax effect of additional deduction for qualified research and development expenditures	(5,442)	(6,124)	(6,192)
Effect of change of tax rate on deferred tax balances	(1,499)	(745)	81
Actual tax expense	15,199	12,191	14,296

8 Directors' and supervisors' emoluments

Directors' and supervisors' emoluments during the years ended 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December 2023						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments *(note a)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Mr. Sun Longxi	—	460	40	32	532	—	532
Mr. Huang Jinlian	—	—	—	—	—	—	—
Non-executive director							
Mr. Ye Hua	—	—	—	—	—	—	—
Independent non-executive directors							
Dr. Li Xiaolin	48	—	—	—	48	—	48
Dr. Su Xinlong	48	—	—	—	48	—	48
Supervisors							
Mr. Guo Yuehua	—	282	30	20	332	—	332
Mr. Ge Dewu	—	324	24	32	380	—	380
Mr. Chen Xiaoqiang	—	106	7	20	133	—	133
	96	1,172	101	104	1,473	—	1,473

	Year ended 31 December 2024						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments *(note a)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Mr. Sun Longxi	—	459	40	33	532	—	532
Mr. Huang Jinlian	—	—	—	—	—	—	—
Non-executive director							
Mr. Ye Hua	—	—	—	—	—	—	—
Independent non-executive directors							
Dr. Li Xiaolin	48	—	—	—	48	—	48
Dr. Su Xinlong	48	—	—	—	48	—	48
Supervisors							
Mr. Guo Yuehua	—	285	36	21	342	—	342
Mr. Ge Dewu	—	324	34	33	391	—	391
Mr. Chen Xiaoqiang	—	108	12	21	141	—	141
	96	1,176	122	108	1,502	—	1,502

	Year ended 31 December 2025						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments *(note a)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Mr. Sun Longxi	—	472	40	21	533	—	533
Mr. Huang Jinlian	—	—	—	—	—	—	—
Non-executive directors							
Mr. Ye Hua	—	—	—	—	—	—	—
Mr. Wang Zhongsheng *(note c)*	—	124	13	9	146	—	146
Independent non-executive directors							
Dr. Li Xiaolin	48	—	—	—	48	—	48
Dr. Su Xinlong	48	—	—	—	48	—	48
Mr. Chen Linwei *(note c)*	36	—	—	—	36	—	36
Supervisors *(note b)*							
Mr. Guo Yuehua	—	77	8	3	88	—	88
Mr. Ge Dewu	—	84	9	5	98	—	98
Mr. Chen Xiaoqiang	—	26	3	3	32	—	32
	132	783	73	41	1,029	—	1,029

Notes:

a These represent the estimated value of shares granted to the directors and supervisors under the Group's share award scheme. The value of these share awards is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(q)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of these benefits in kind, including the principal terms and number of shares granted, are disclosed in note 28.

b Further to the implementation of the Company Law of the PRC (Revised in 2023), position of supervisor is no longer required for the Company. On 11 April 2025, pursuant to resolutions of shareholders of the Company, the board of supervisors was abolished according to the Company Law of the PRC. Accordingly, the supervisors' emoluments for the year ended 31 December 2025 represent the emoluments paid to those supervisors up to the date of abolishing the supervisory committee.

c Mr. Wang Zhongsheng was appointed as an non-executive director of the Company and Mr. Chen Linwei was appointed as an independent non-executive director of the Company on 11 April 2025.

During the years ended 31 December 2023, 2024 and 2025, no director or supervisor has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors and the supervisors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 Individuals with highest emoluments

Nil, nil and one of the five individuals with the highest emoluments is director or supervisor whose emoluments are disclosed in note 8 for the years ended 31 December 2023, 2024 and 2025. The aggregate of the emoluments in respect of five, five and the other four individuals with the highest emoluments for the years ended 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other emoluments	2,235	2,260	2,051
Equity-settled share-based payment expenses	1,911	2,554	810
Retirement scheme contributions	102	85	101
	4,248	4,899	2,962

The emoluments of the above five, five and four individuals with the highest emoluments for the years ended 31 December 2023, 2024 and 2025 are within the following bands:

	Year ended 31 December		
	2023	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*
Nil–HK$1,000,000	4	2	4
HK$1,000,001–HK$1,500,000	1	2	—
HK$1,500,001–HK$2,000,000	—	1	—

10 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share during the years ended 31 December 2023, 2024 and 2025 is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue for the respective year. The profit attributable to unvested ordinary shares held for employee incentive scheme with employees (see note 28) and the number of such shares have been excluded from the calculation of basic earnings per share.

(i) Profit attributable to ordinary equity shareholders of the Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to all ordinary equity shareholders of the Company	91,876	90,093	97,173
Allocation of profit for the year attributable to unvested shares held for employee incentive scheme *(note 28)*	(762)	(1,000)	(393)
Profit for the year attributable to ordinary equity shareholders of the Company for the purpose of calculating EPS	91,114	89,093	96,780

(ii) Weighted average number of ordinary shares

	Year ended 31 December		
	2023	**2024**	**2025**
	'000	*'000*	*'000*
Ordinary shares in issue at 1 January	90,000	91,010	91,010
Effect of issuance of new shares	753	—	—
Effect of unvested shares held for employee incentive scheme *(note 28)*	(753)	(1,010)	(368)
Weighted average number of ordinary shares at 31 December	90,000	90,000	90,642

(b) Diluted earnings per share

For the year ended 31 December 2023, 2024 and 2025, the effects of unvested ordinary shares held for employee incentive scheme with employees were not included in the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. The Company did not have other potential ordinary shares and therefore the amounts of diluted earnings per share were the same as basic earnings per share.

11 Property, plant and equipment

The Group

	Properties and buildings	Operational equipment	Vehicles	Office equipment	Machinery and other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:								
At 1 January 2023	86,904	215,360	8,531	11,327	3,055	14,448	6,192	345,817
Additions	—	—	1,881	1,236	1,086	6,788	46,527	57,518
Transfer from construction in progress	—	41,353	—	—	—	6,493	(47,846)	—
Disposals	—	(23,771)	(334)	(844)	(85)	—	(181)	(25,215)
At 31 December 2023 and 1 January 2024	86,904	232,942	10,078	11,719	4,056	27,729	4,692	378,120
Additions	—	—	928	593	577	1,260	45,933	49,291
Transfer from construction in progress	—	33,510	—	—	—	—	(33,510)	—
Disposals	—	(35,147)	(920)	(365)	(11)	—	(60)	(36,503)
At 31 December 2024 and 1 January 2025	86,904	231,305	10,086	11,947	4,622	28,989	17,055	390,908
Additions	—	7	870	998	426	7,152	95,062	104,515
Transfer from construction in progress	—	23,996	—	—	—	3,941	(27,937)	—
Disposals	—	(53,809)	(385)	(730)	(92)	—	(42)	(55,058)
At 31 December 2025	86,904	201,499	10,571	12,215	4,956	40,082	84,138	440,365
Accumulated depreciation:								
At 1 January 2023	15,766	110,075	4,861	8,916	1,779	7,372	—	148,769
Charge for the year	2,917	46,389	1,317	1,268	505	5,913	—	58,309
Written back on disposals	—	(17,811)	(317)	(804)	(23)	—	—	(18,955)
At 31 December 2023 and 1 January 2024	18,683	138,653	5,861	9,380	2,261	13,285	—	188,123
Charge for the year	2,924	46,286	1,246	1,132	600	5,194	—	57,382
Written back on disposals	—	(34,166)	(870)	(346)	(10)	—	—	(35,392)
At 31 December 2024 and 1 January 2025	21,607	150,773	6,237	10,166	2,851	18,479	—	210,113
Charge for the year	2,924	37,155	1,283	896	593	6,953	—	49,804
Written back on disposals	—	(52,034)	(366)	(654)	(81)	—	—	(53,135)
At 31 December 2025	24,531	135,894	7,154	10,408	3,363	25,432	—	206,782
Net book value:								
At 31 December 2023	68,221	94,289	4,217	2,339	1,795	14,444	4,692	189,997
At 31 December 2024	65,297	80,532	3,849	1,781	1,771	10,510	17,055	180,795
At 31 December 2025	62,373	65,605	3,417	1,807	1,593	14,650	84,138	233,583

As at 31 December 2023, 2024 and 2025, property, plant and equipment of the Group with carrying amount of RMB68,221,000, RMB65,297,000 and RMB129,715,000 respectively were pledged as collateral for the Group's bank facilities.

The Company

	Properties and buildings	Operational equipment	Vehicles	Office equipment	Machinery and other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:								
At 1 January 2023	83,987	22,729	5,631	8,236	2,293	7,512	3,659	134,047
Additions	—	15,100	—	883	749	1,462	32,704	50,898
Transfer from construction in progress	—	33,581	—	—	—	—	(33,581)	—
Disposals	—	(14,238)	(270)	(648)	(25)	—	(88)	(15,269)
At 31 December 2023 and 1 January 2024	83,987	57,172	5,361	8,471	3,017	8,974	2,694	169,676
Additions	—	8,287	—	409	544	315	33,358	42,913
Transfer from construction in progress	—	32,412	—	—	—	—	(32,412)	—
Disposals	—	(3,371)	(1,004)	(173)	—	—	(14)	(4,562)
At 31 December 2024 and 1 January 2025	83,987	94,500	4,357	8,707	3,561	9,289	3,626	208,027
Additions	—	—	468	801	299	5,525	39,614	46,707
Transfer from construction in progress	—	39,218	—	—	—	599	(39,817)	—
Disposals	—	(7,716)	(195)	(607)	(34)	—	(42)	(8,594)
At 31 December 2025	83,987	126,002	4,630	8,901	3,826	15,413	3,381	246,140
Accumulated depreciation:								
At 1 January 2023	15,350	7,975	3,351	6,696	1,398	5,362	—	40,132
Charge for the year	2,833	18,735	711	815	322	1,535	—	24,951
Written back on disposals	—	(10,134)	(256)	(620)	(21)	—	—	(11,031)
At 31 December 2023 and 1 January 2024	18,183	16,576	3,806	6,891	1,699	6,897	—	54,052
Charge for the year	2,833	22,702	488	753	421	1,159	—	28,356
Written back on disposals	—	(3,282)	(665)	(164)	—	—	—	(4,111)
At 31 December 2024 and 1 January 2025	21,016	35,996	3,629	7,480	2,120	8,056	—	78,297
Charge for the year	2,833	33,590	380	629	438	2,122	—	39,992
Written back on disposals	—	(6,118)	(185)	(540)	(26)	—	—	(6,869)
At 31 December 2025	23,849	63,468	3,824	7,569	2,532	10,178	—	111,420
Net book value:								
At 31 December 2023	65,804	40,596	1,555	1,580	1,318	2,077	2,694	115,624
At 31 December 2024	62,971	58,504	728	1,227	1,441	1,233	3,626	129,730
At 31 December 2025	60,138	62,534	806	1,332	1,294	5,235	3,381	134,720

As at 31 December 2023, 2024 and 2025, property, plant and equipment of the Company with carrying amount of RMB65,804,000, RMB62,971,000 and RMB60,138,000 respectively were pledged as collateral for the Company's bank facilities.

12 Investment properties

The Group

	RMB'000
Cost:	
At 1 January 2023	20,104
Additions	14,929
At 31 December 2023	35,033
Additions	2,632
At 31 December 2024	37,665
Additions	1,742
At 31 December 2025	39,407
Accumulated depreciation:	
At 1 January 2023	4,453
Charge for the year	675
At 31 December 2023 and 1 January 2024	5,128
Charge for the year	992
At 31 December 2024 and 1 January 2025	6,120
Charge for the year	1,069
At 31 December 2025	7,189
Impairment:	
At 1 January 2023	4,906
Charge for the year	3,236
At 31 December 2023 and 1 January 2024	8,142
Charge for the year	884
At 31 December 2024 and 1 January 2025	9,026
Charge for the year	1,114
At 31 December 2025	10,140
Net book value:	
At 31 December 2023	21,763
At 31 December 2024	22,519
At 31 December 2025	22,078

As at 31 December 2023, 2024 and 2025, investment properties of the Group with carrying amount of RMB7,044,000, RMB6,578,000 and RMB6,110,000 respectively were pledged as collateral for the Group's bank facilities.

The Company

	RMB'000
Cost:	
At 1 January 2023	23,020
Additions	14,877
At 31 December 2023	37,897
Additions	2,631
At 31 December 2024	40,528
Additions	1,742
At 31 December 2025	42,270
Accumulated depreciation:	
At 1 January 2023	4,868
Charge for the year	758
At 31 December 2023 and 1 January 2024	5,626
Charge for the year	1,082
At 31 December 2024 and 1 January 2025	6,708
Charge for the year	1,159
At 31 December 2025	7,867
Impairment:	
At 1 January 2023	4,906
Charge for the year	3,236
At 31 December 2023 and 1 January 2024	8,142
Charge for the year	884
At 31 December 2024 and 1 January 2025	9,026
Charge for the year	1,114
At 31 December 2025	10,140
Net book value:	
At 31 December 2023	24,129
At 31 December 2024	24,794
At 31 December 2025	24,263

As at 31 December 2023, 2024 and 2025, investment properties of the Company with carrying amount of RMB9,410,000, RMB8,853,000 and RMB8,295,000 respectively were pledged as collateral for the Company's bank facilities.

As at 31 December 2023, 2024 and 2025, the fair value of the Group's investment properties was approximately RMB23,429,000, RMB26,421,000 and RMB23,583,000 respectively. This fair value, is determined by the directors of the Company with reference to mainly the valuation performed, using the direct market comparison ("DMC"), by an independent qualified professional valuer. The valuation for investment properties was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions. The fair value of the investment properties disclosed at the end of the reporting period is categorised into Level 3 valuations: Fair value measured using significant unobservable inputs, as defined in IFRS 13, Fair value measurement.

The Group leases out investment property under operating leases. The leases typically run for an initial period of 1 to 15 years, with an option to renew the lease after that date at which time all terms are renegotiated.

Undiscounted lease payments under non-cancellable operating leases in place at each reporting date will be receivable by the Group in future periods as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,007	1,402	1,398
After 1 year but within 2 years	787	795	790
After 2 years but within 3 years	361	6	809
After 3 years but within 4 years	—	—	823
After 4 years but within 5 years	—	—	832
After 5 years	—	—	525
	3,155	2,203	5,177

13 Right-of-use assets

The Group

	Parking facilities	Properties and buildings	Leasehold land	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:					
At 1 January 2023	40,030	31,784	4,440	7,463	83,717
Additions	442	11,949	9,476	361	22,228
Disposals	(35)	(9,367)	—	(2,398)	(11,800)
At 31 December 2023 and 1 January 2024	40,437	34,366	13,916	5,426	94,145
Additions	62,911	13,785	12,113	51	88,860
Disposals	(13,998)	(14,718)	—	(4,885)	(33,601)
At 31 December 2024 and 1 January 2025	89,350	33,433	26,029	592	149,404
Additions	63,111	8,557	16,480	—	88,148
Disposals	(93,839)	(12,459)	—	(548)	(106,846)
At 31 December 2025	58,622	29,531	42,509	44	130,706
Accumulated depreciation:					
At 1 January 2023	18,218	13,348	629	5,318	37,513
Charge for the year	7,581	10,845	120	1,074	19,620
Written back on disposals	—	(8,583)	—	(1,779)	(10,362)
At 31 December 2023 and 1 January 2024	25,799	15,610	749	4,613	46,771
Charge for the year	11,566	10,899	415	267	23,147
Written back on disposals	(8,969)	(11,440)	—	(4,379)	(24,788)
At 31 December 2024 and 1 January 2025	28,396	15,069	1,164	501	45,130
Charge for the year	24,612	10,021	699	64	35,396
Written back on disposals	(41,011)	(9,117)	—	(548)	(50,676)
At 31 December 2025	11,997	15,973	1,863	17	29,850
Net book value:					
At 31 December 2023	14,638	18,756	13,167	813	47,374
At 31 December 2024	60,954	18,364	24,865	91	104,274
At 31 December 2025	46,625	13,558	40,646	27	100,856

As at 31 December 2023, 2024 and 2025, right-of-use assets of the Group with carrying amount of nil, nil and RMB20,724,000 respectively were pledged as collateral for the Group's bank facilities.

The Company

	Parking facilities	Properties and buildings	Leasehold land	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:					
At 1 January 2023	—	5,592	4,440	3,778	13,810
Additions	442	4,791	—	12	5,245
Disposals	—	(2,627)	—	—	(2,627)
At 31 December 2023 and 1 January 2024	442	7,756	4,440	3,790	16,428
Additions	—	7,368	—	31	7,399
Disposals	—	(5,427)	—	(3,619)	(9,046)
At 31 December 2024 and 1 January 2025	442	9,697	4,440	202	14,781
Additions	—	7,623	16,480	—	24,103
Disposals	(442)	(597)	—	(160)	(1,199)
At 31 December 2025	—	16,723	20,920	42	37,685
Accumulated depreciation:					
At 1 January 2023	—	2,478	629	3,373	6,480
Charge for the year	63	3,039	89	346	3,537
Written back on disposals	—	(2,464)	—	—	(2,464)
At 31 December 2023 and 1 January 2024	63	3,053	718	3,719	7,553
Charge for the year	89	3,047	89	63	3,288
Written back on disposals	—	(3,385)	—	(3,619)	(7,004)
At 31 December 2024 and 1 January 2025	152	2,715	807	163	3,837
Charge for the year	—	5,541	192	15	5,748
Written back on disposals	(152)	(584)	—	(160)	(896)
At 31 December 2025	—	7,672	999	18	8,689
Net book value:					
At 31 December 2023	379	4,703	3,722	71	8,875
At 31 December 2024	290	6,982	3,633	39	10,944
At 31 December 2025	—	9,051	19,921	24	28,996

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets *(note 6(c))*	19,620	23,147	35,396
Interests on lease liabilities *(note 6(a))*	1,372	1,283	2,810
Expense relating to short-term leases	3,331	3,215	8,922
COVID-19-related rent concessions received	238	—	—
Variable lease payments not included in the measurement of lease liabilities	2,824	1,988	23,752

During the years ended 31 December 2023, 2024 and 2025, additions to right-of-use assets primarily related to the capitalised lease payments payable under new tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in note 23(d) and note 25 respectively.

(i) Ownership interests in leasehold land

The Group holds several buildings where its manufacturing facilities and administrative offices are primarily located. The Group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease. The remaining lease term were between 39 and 50 years as at 31 December 2023, 2024 and 2025.

(ii) Other properties leased for own use

The Group has obtained the right to use parking facilities and other properties as administrative offices through tenancy agreements. The leases typically run for an initial period of 1 to 10 years. Lease payments are usually increased every year to reflect market rentals. Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities.

The Group leased a number of parking facilities which contain variable lease payment terms that are based on sales generated from the parking facilities and minimum annual lease payment terms that are fixed. These payment terms are common in parking facilities in Chinese Mainland where the Group operates. The amount of fixed and variable lease payments for the years ended 31 December 2023, 2024 and 2025 is summarised below:

	Year ended 31 December 2023		
	Fixed payments	**Variable payments**	**Total payments**
	RMB'000	*RMB'000*	*RMB'000*
Parking facilities	6,305	2,824	9,129

	Year ended 31 December 2024		
	Fixed payments	**Variable payments**	**Total payments**
	RMB'000	*RMB'000*	*RMB'000*
Parking facilities	25,423	1,988	27,411

	Year ended 31 December 2025		
	Fixed payments	**Variable payments**	**Total payments**
	RMB'000	*RMB'000*	*RMB'000*
Parking facilities	19,989	23,752	43,741

At 31 December 2023, 2024 and 2025, it is estimated that an increase in sales generated from these parking facilities by 5% would have increased the lease payments by RMB204,000, RMB162,000 and RMB1,333,000, respectively.

14 Intangible assets

The Group and the Company

	Software
	RMB'000
Cost:	
At 1 January 2023	1,453
Additions	118
At 31 December 2023 and 1 January 2024	1,571
Additions	68
At 31 December 2024, 1 January 2025 and 31 December 2025	1,639
Accumulated amortisation:	
At 1 January 2023	1,030
Charge for the year	146
At 31 December 2023 and 1 January 2024	1,176
Charge for the year	144
At 31 December 2024 and 1 January 2025	1,320
Charge for the year	141
At 31 December 2025	1,461
Net book value:	
At 31 December 2023	395
At 31 December 2024	319
At 31 December 2025	178

The amortisation charge for the years ended 31 December 2023, 2024 and 2025 is included in administrative expenses in the consolidated statements of profit or loss and other comprehensive income.

15 Investment in subsidiaries

The carrying amounts of investment in subsidiaries of the Company is listed below:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost	191,189	198,629	249,628
Impairment	(4,632)	(5,032)	(6,032)
Net book value	186,557	193,597	243,596

	RMB'000
Impairment:	
At 1 January 2023	3,882
Charge for the year	750
At 31 December 2023 and 1 January 2024	4,632
Charge for the year	400
At 31 December 2024 and 1 January 2025	5,032
Charge for the year	1,000
At 31 December 2025	6,032

Further details of the principal subsidiaries of the Group are set out in note 1.

The subsidiaries of the Group do not have material non-controlling interest. For the year ended 31 December 2023, the Group acquired additional interests of nine subsidiaries from non-controlling shareholders at total consideration of RMB26,582,000.

Certain subsidiaries of the Company suffered consecutive losses due to difficulties in operating and expanding their business during Track Record Period. The Group assessed the recoverable amounts of these subsidiaries as at 31 December 2023, 2024 and 2025, which is determined based on fair value less cost to sell. As a result, an impairment loss of RMB750,000, RMB400,000 and RMB1,000,000 was recognised in profit or loss during the years ended 31 December 2023, 2024 and 2025 respectively and the carrying amount of investment in these subsidiaries was written down to their recoverable amount of RMB400,000, nil and nil respectively.

16 Other non-current assets

Other non-current assets of the Group mainly consist of non-refundable up-front payments to certain customers to which the Group provides parking facilities operation support service and interest in certain properties before property ownership certificate is obtained, which arose from settlements by the Group's customers.

As at 31 December 2023, 2024 and 2025, the balance of non-refundable up-front payments were nil, nil and RMB81,841,000, which are expected to be recoverable based on the expected future cash flows from the relevant arrangements, and are mortised as a reduction in revenue over the expected service period to which they relate or realised when the related future cash flows occur.

As at 31 December 2023, 2024 and 2025, the balance of interest in certain properties before property ownership certificate is obtained arose from settlements by the Group's customers were RMB5,997,000, RMB6,710,000 and RMB6,181,000 respectively. Due to the decreasing market price of properties, the Group assessed the recoverable amounts and as a result the carrying amounts of these properties were written down to their recoverable amounts and an impairment loss of RMB924,000, RMB867,000 and RMB330,000 was recognised in profit or loss for each of the year ended 31 December 2023, 2024 and 2025 respectively. The estimates of recoverable amount were based on the underlying properties' or parking spaces' fair values less costs of disposal, using market comparison approach by reference to recent sales price of similar assets.

17 Interests in associates

The following list contains only the particulars of the material associate, which is an unlisted corporate entity, whose quoted market price is not available:

Name of associates	Form of business structure	Place of establishment and business	Particulars of issued and paid-up capital	Proportion of ownership interests held by the Company: As at 31 December 2023	As at 31 December 2024	As at 31 December 2025	Principal activities
Xuzhou Ketuo Parking Operations & Management Company Limited ("Xuzhou Ketuo") (徐州科拓停車管理服務有限公司) *(Note (i) (ii))*	Limited liabilities company	Chinese Mainland	RMB20,000,000/ RMB20,000,000	49.00%	49.00%	N/A	On-street Parking Management

Notes:

(i) The official name of this entity is in Chinese. The English translation is for identification purpose only. The investment in Xuzhou Ketuo enables the Group to have exposure to this market through local expertise.

(ii) On 12 February 2025, pursuant to the resolutions of the shareholders of Xuzhou Ketuo, Xuzhou Ketuo was placed into liquidation and the residual assets which are cash amounting to RMB8,291,000 were distributed to the Group based on the proportion of ownership interests. Xuzhou Ketuo was deregistered under the PRC Law on 27 April 2025 and ceased to be the associate of the Company.

The above associate is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	2023	2024
	RMB'000	*RMB'000*
Gross amounts of the associates'		
Revenue	4,191	1,407
Profit/(loss) and total comprehensive income for the year	1,487	(3,015)
Current assets	17,441	16,949
Non-current assets	2,669	—
Current liabilities	55	—
Equity	20,055	16,949
Reconciled to the Group's interests in the associate		
Gross amount of net assets of the associate	20,055	16,949
Group's effective interest	49%	49%
Group's share of net assets of the associate	9,827	8,305
Carrying amount in the consolidated financial statements	9,827	8,305

Aggregate information of associates that are not individually material:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amounts of individually immaterial associates in the consolidated financial statements	630	392	—
Aggregate amounts of the Group's share of those associates'			
— Loss and total comprehensive income for the year	(458)	(284)	(134)

The Group disposed one of its individually immaterial associates in December 2025 and the aggregate carrying amounts of individually immaterial associates as at 31 December 2025 is nil.

The Group also disposed its individually immaterial joint venture in December 2025 and the aggregate carrying amounts of individually immaterial joint venture as at 31 December 2025 is nil. Aggregate amounts of the Group's share of the joint venture's loss and total comprehensive income for 2025 is RMB44,000.

18 Inventories

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	17,237	13,072	14,561
Finished goods	18,506	16,993	14,594
Work in progress	1,978	2,833	1,977
Goods in transit	25,219	33,749	21,901
	62,940	66,647	53,033

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	11,838	8,968	10,597
Finished goods	14,528	13,819	13,118
Work in progress	1,574	2,470	1,687
Goods in transit	23,370	32,030	22,293
	51,310	57,287	47,695

(a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	167,970	164,948	155,690
Write down of inventories	2,035	166	448
Reversal of write-down of inventories	(971)	(690)	(143)
	169,034	164,424	155,995

The reversal of write-down of inventories made in prior years arose due to an increase in the estimated net realisable value of certain goods as a result of a change in industry trend.

19 Contract assets and contract liabilities

(a) Contract assets

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contract assets arising from performance under smart parking systems	74,977	87,046	118,212
Receivables from contracts with customers within the scope of IFRS15 which are included in "Trade and other receivables" *(note 21(a))*	335,648	314,990	274,742

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contract assets arising from performance under smart parking systems	61,802	77,415	108,396
Receivables from contracts with customers within the scope of IFRS15 which are included in "Trade and other receivables" *(note 21(a))*	442,005	446,499	324,235

The Group's contracts of smart parking systems typically include payment schedules which require payments after the satisfactory inspection of customers. This amount is included in contract assets until the completion of inspection of the Group's customers as the Group's entitlement to this payment is conditional on the Group's work satisfactorily passing its customers' inspection. The Group also typically agrees to a two year retention period for 3% to 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

As at 31 December 2023, 2024 and 2025, the amount of contract assets expected to be recovered after more than one year were RMB3,347,000, RMB4,055,000 and RMB6,626,000, respectively, all of which relates to retentions. All of the other contract assets are expected to be recovered within one year.

(b) Contract liabilities

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
— Smart parking systems	62,374	85,329	78,638
— Parking facility and platform operations	9,446	12,913	18,405
— Smart parking management services	5,289	6,611	5,076
	77,109	104,853	102,119

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
— Smart parking systems	56,810	81,698	76,714
— Parking facility and platform operations	6,012	6,540	7,655
— Smart parking management services	1,523	2,762	3,250
	64,345	91,000	87,619

When the Group receives prepayments from customers before related goods or services are provided, this will give rise to contract liabilities, until the revenue recognised on relevant contracts exceeds the amount of prepayment from customers.

Movements in contract liabilities of the Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	48,350	77,109	104,853
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities of the beginning of the year	(22,991)	(37,173)	(54,879)
Increase in contract liabilities as a result of receipts in advance from customers	51,750	64,917	52,145
Balance at the end of the year	77,109	104,853	102,119

The amount of contract liabilities expected to be recognised as income after more than one year are RMB39,936,000, RMB45,159,000 and RMB37,380,000 as at 31 December 2023, 2024 and 2025, respectively. All of the other contract liabilities are expected to be recognised as income within one year.

20 Other current assets

Other current assets mainly consist of non-refundable up-front payments to certain customers to which the Group provides parking facilities operation support services. The payments are expected to be recoverable based on the expected future cash flows from the relevant arrangements, and are amortised as a reduction in revenue over the expected service period to which they relate or realised when the related future cash flows occur.

21 Trade and other receivables and prepayments

(a) Trade and other receivables

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Trade receivables			
— third parties	29,330	42,802	52,243
— related parties	126	224	44
	29,456	43,026	52,287
Current			
Trade receivables			
— third parties	282,545	253,621	210,278
— related parties	7,376	6,982	6,896
	289,921	260,603	217,174
Bill receivables	16,271	11,456	5,295
Deposits	4,141	17,941	22,056
VAT recoverable	8,428	15,065	26,324
Other receivables	14,178	17,653	16,865
	362,395	365,744	340,001

As at 31 December 2023, 2024 and 2025, deposits of the Group amounting to RMB712,000, RMB8,176,000 and RMB11,737,000 respectively were expected to be recovered after more than one year. All of the other current trade and other receivables are expected to be recovered or recognised as expense within one year.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Trade receivables			
— third parties	29,330	42,661	52,121
— related parties	126	224	44
	29,456	42,885	52,165
Current			
Trade receivables			
— third parties	202,296	197,518	158,661
— subsidiaries	193,906	194,633	108,105
— other related parties	76	102	23
	396,278	392,253	266,789
Bill receivables	16,271	11,456	5,295
Deposits	3,347	11,447	10,782
VAT recoverable	15	—	—
Amounts due from subsidiaries *(note (i))*	161,909	293,739	274,064
Other receivables	6,825	7,135	9,493
	614,101	758,915	618,588

Note:

(i) Amounts due from subsidiaries were non-trade in nature, and were unsecured, interest-free and repayable on demand.

As at 31 December 2023, 2024 and 2025, deposits of the Company amounting to RMB230,000, RMB6,959,000 and RMB9,084,000 respectively were expected to be recovered after more than one year. All of the other current trade and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis

As of the end of each reporting period, the ageing analysis of trade receivables and bill receivables based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	228,108	223,084	193,855
More than 1 year but within 2 years	53,231	52,334	43,124
More than 2 years but within 3 years	40,187	18,719	23,241
More than 3 years	14,122	20,948	14,536
	335,648	315,085	274,756

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	367,317	371,567	256,240
More than 1 year but within 2 years	37,961	44,875	38,664
More than 2 years but within 3 years	28,781	14,664	19,922
More than 3 years	7,946	15,488	9,423
	442,005	446,594	324,249

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 31(a).

(b) Prepayments

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for:			
— Operating rental expense	406	14,601	8,682
— Purchase of raw materials	4,158	7,424	5,288
— Others	8,589	5,313	9,019
	13,153	27,338	22,989

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for:			
— Operating rental expense	29	855	25
— Purchase of raw materials	1,953	6,929	6,071
— Others	7,428	15,983	8,626
	9,410	23,767	14,722

22 Restricted bank deposits

Restricted bank deposits as at 31 December 2023 and 2024 mainly represent bank deposits in relation to guarantees for letters of guarantee and bill payables.

As at 31 December 2025, restricted bank deposits of the Group includes bank deposits of RMB16,497,000 in relation to guarantees for letters of guarantee and bill payables. In addition, bank deposits of RMB39,398,000 as at 31 December 2025 was frozen by a bank because the bank is updating registered capital information of one subsidiary of the Company.

23 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents comprise:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank and on hand	189,662	163,527	189,650
Cash balances with payment platforms	722	812	1,025
	190,384	164,339	190,675

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank and on hand	162,110	96,953	122,912
Cash balances with payment platforms	411	632	904
	162,521	97,585	123,816

Cash balances with payment platforms represents cash balances kept with third party payment platforms, which can be withdrawn on demand.

As at 31 December 2023, 2024 and 2025, cash at bank balances with aggregate amount of RMB188,114,000, RMB127,175,000 and RMB181,178,000 were placed with banks in Chinese Mainland. Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	Year ended 31 December		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Profit before taxation		102,229	98,900	107,974
Adjustments for:				
Depreciation of property, plant and equipment	*6(c)*	58,309	57,382	49,804
Impairment loss on investment properties		3,236	884	1,114
Impairment loss on other non-current assets		924	867	330
Amortisation of intangible assets	*6(c)*	146	144	141
Depreciation of investment properties	*6(c)*	675	992	1,069
Depreciation of right-of-use assets	*6(c)*	19,620	23,147	35,396
Finance costs	*6(a)*	3,451	1,629	2,937
Interest income	*5*	(3,098)	(3,432)	(3,258)
Net fair value changes on financial assets measured at fair value through profit or loss	*5*	(436)	(1,409)	(826)
Write down of inventories	*18*	2,035	166	448
Reversal of write-down of inventories	*18*	(971)	(690)	(143)
Impairment loss on contract assets and trade receivables	*6(c)*	12,362	9,588	2,846
Impairment loss on bill receivables and other receivables	*6(c)*	191	3,025	1,528
Net foreign exchange loss/(gain)	*5*	91	262	(5)
Share of net (profits)/losses of associates and a joint venture		(271)	1,761	178
Net gain on disposal of property, plant and equipment	*5*	(3,718)	(2,032)	(3,290)
Equity-settled share-based payment expenses	*6(b)*	2,383	4,978	5,153
Changes in working capital:				
(Increase)/decrease in inventories		(9,141)	(3,183)	13,309
Increase in contract assets		(11,553)	(12,069)	(31,166)
(Increase)/decrease in trade and other receivables		(28,974)	(18,194)	22,872
Decrease/(increase) in other current assets		8,675	(106,247)	77,052
(Increase)/decrease in prepayments		(7,110)	(14,186)	4,349
(Increase)/decrease in restricted bank balances		(20,456)	8,755	(34,207)
Increase in other non-current assets		—	—	(80,625)
Increase/(decrease) in trade and other payables		40,909	(800)	(18,311)
Increase/(decrease) in contract liabilities		28,759	27,744	(2,734)
Cash generated from operations		198,267	77,982	151,935

(c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Bank loans	Lease liabilities	Total
	RMB'000 *(Note 24)*	*RMB'000* *(Note 25)*	*RMB'000*
At 1 January 2023	69,054	36,916	105,970
Changes from financing cash flows:			
Proceeds from bank loans	49,500	—	49,500
Repayments of bank loans	(108,500)	—	(108,500)
Interests paid	(2,122)	—	(2,122)
Interest element of lease rentals paid	—	(1,372)	(1,372)
Capital element of lease rentals paid	—	(17,013)	(17,013)
Total changes from financing cash flows	(61,122)	(18,385)	(79,507)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	—	12,752	12,752
Interest expenses *(note 6(a))*	2,079	1,372	3,451
Decrease in lease liabilities from termination of lease contracts	—	(1,781)	(1,781)
Total other changes	2,079	12,343	14,422
At 31 December 2023	10,011	30,874	40,885

	Bank loans	Lease liabilities	Total
	RMB'000 *(Note 24)*	*RMB'000* *(Note 25)*	*RMB'000*
At 1 January 2024	10,011	30,874	40,885
Changes from financing cash flows:			
Proceeds from bank loans	32,000	—	32,000
Repayments of bank loans	(12,500)	—	(12,500)
Interests paid	(349)	—	(349)
Interest element of lease rentals paid	—	(1,283)	(1,283)
Capital element of lease rentals paid	—	(35,251)	(35,251)
Total changes from financing cash flows	19,151	(36,534)	(17,383)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	—	76,747	76,747
Interest expenses *(note 6(a))*	346	1,283	1,629
Decrease in lease liabilities from termination of lease contracts	—	(7,686)	(7,686)
Total other changes	346	70,344	70,690
At 31 December 2024	29,508	64,684	94,192

	Bank loans	Lease liabilities	Total
	RMB'000 *(Note 24)*	*RMB'000* *(Note 25)*	*RMB'000*
At 1 January 2025	29,508	64,684	94,192
Changes from financing cash flows:			
Proceeds from bank loans	71,679	—	71,679
Repayments of bank loans	(29,500)	—	(29,500)
Interests paid	(634)	—	(634)
Interest element of lease rentals paid	—	(2,810)	(2,810)
Capital element of lease rentals paid	—	(28,185)	(28,185)
Total changes from financing cash flows	41,545	(30,995)	10,550
Other changes:			
Increase in lease liabilities from entering into new leases during the year	—	71,668	71,668
Capitalised borrowing cost *(note 6(a))*	560	—	560
Interest expenses *(note 6(a))*	127	2,810	2,937
Decrease in lease liabilities from termination of lease contracts	—	(57,038)	(57,038)
Total other changes	687	17,440	18,127
At 31 December 2025	71,740	51,129	122,869

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprise the following, which are related to lease rentals paid:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	3,331	3,215	32,674
Within investing cash flows	9,476	12,113	16,480
Within financing cash flows	18,385	36,534	30,995
	31,192	51,862	80,149

These amounts related to the following:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease rentals paid	21,716	39,749	63,669
Purchase of leasehold land	9,476	12,113	16,480
	31,192	51,862	80,149

24 Bank loans

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
— Secured and guaranteed	—	22,000	48
— Secured and unguaranteed	—	—	10
— Unsecured and guaranteed	5,005	4,505	—
— Unsecured and unguaranteed	5,006	3,003	3,003
	10,011	29,508	3,061
Non-current			
— Secured and guaranteed	—	—	57,792
— Secured and unguaranteed	—	—	10,887
	—	—	68,679
	10,011	29,508	71,740

Bank loans bear interest ranging from 3.55% to 4.00% per annum, 3.50% to 3.65% per annum and 2.00% to 3.30% per annum as at 31 December 2023, 2024 and 2025, respectively.

As at 31 December 2023, 2024 and 2025, bank loans of nil, RMB22,000,000 and nil of the Group were guaranteed by Mr. Sun Longxi and Mr. Huang Jinlian (note 33) and their affiliated individuals. As at 31 December 2025, bank loans of RMB57,840,000 of the Group were guaranteed by Mr. Sun Longxi and his affiliated individuals.

As at 31 December 2023, 2024 and 2025, bank loans of RMB5,005,000, RMB4,505,000 and nil were guaranteed by Mr. Zheng Wenjie and Mr. Xie Qiming, non-controlling interests of one subsidiary of the Company.

All guarantees provided by related parties will be released prior to Listing.

As at 31 December 2023, 2024 and 2025, bank loans of nil, RMB22,000,000 and RMB68,737,000 were secured by property, plant and equipment (note 11), investment properties (note 12) and leasehold land (note 13).

The analysis of the repayment schedule of bank loans is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year or on demand	10,011	29,508	3,061
After 1 year but within 2 years	—	—	2,716
After 2 years but within 5 years	—	—	22,667
After 5 years	—	—	43,296
	10,011	29,508	71,740

All the above interest-bearing borrowings are carried at amortised cost.

Several banking facilities and borrowings of the Group are subject to the fulfilment of covenants relating to certain of the Group's subsidiaries' statement of financial position ratio. If the Group were to breach the covenants, the drawn down facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 31(b).

25 Lease liabilities

As at 31 December 2023, 2024 and 2025, the lease liabilities were repayable as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	15,631	30,693	17,341
After 1 year but within 2 years	7,255	20,960	12,450
After 2 years but within 5 years	7,418	12,228	18,209
After 5 years	570	803	3,129
	15,243	33,991	33,788
	30,874	64,684	51,129

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,962	3,767	4,106
After 1 year but within 2 years	1,141	1,896	2,429
After 2 years but within 5 years	741	980	1,314
After 5 years	2	—	—
	1,884	2,876	3,743
	4,846	6,643	7,849

26 Trade and other payables

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
— third parties	87,140	84,791	81,186
— related parties	22	87	138
Salaries and bonus payables	40,884	47,197	37,514
Bill payables	21,010	20,728	9,806
Other payables and accruals	64,278	59,842	52,445
	213,334	212,645	181,089

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
— third parties	56,858	51,248	54,696
— subsidiaries	80,075	78,174	42,703
— other related parties	22	59	128
Salaries and bonus payables	18,779	16,946	13,128
Bill payables	21,910	42,562	11,086
Amounts due to subsidiaries *(note (i))*	121,129	146,157	158,749
Other payables and accruals	49,599	50,634	39,713
	348,372	385,780	320,203

Note:

(i) Amounts due to subsidiaries were non-trade in nature, and were unsecured, interest-free and repayable on demand.

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

As of the end of reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	76,814	72,633	67,754
More than 1 year but within 2 years	3,861	4,791	5,459
More than 2 years but within 3 years	2,573	2,188	3,146
More than 3 years	3,914	5,266	4,965
	87,162	84,878	81,324

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	131,542	122,082	82,435
More than 1 year but within 2 years	2,267	3,870	10,720
More than 2 years but within 3 years	1,300	1,053	2,219
More than 3 years	1,846	2,476	2,153
	136,955	129,481	97,527

27 Employee retirement benefits

Defined contribution retirement plan

As stipulated by the regulations of PRC, the Group's entities in Chinese Mainland participates in various defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans based on certain percentage of the salaries, bonuses and certain allowances of the employees. A member of the plan is entitled to a pension equal to a fixed proportion of the salary prevailing at the member's retirement date. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the contributions described above.

28 Equity-settled share-based payment transactions

The Group has adopted employee incentive schemes on 1 April 2015 and 20 January 2023, respectively. The purpose of the employee incentive schemes is to provide incentives and rewards to eligible participants for their past and future contributions to the Group. In connection with these employee incentive schemes, several shareholding incentive platforms in form of limited partnership have been established since 13 May 2015 for holding and administrating the Company's shares. As at 31 December 2025, these shareholding incentive platforms held altogether 4.79% of the equity interest in the Company.

Eligible participants were offered to subscribe partnership interest in the share incentive platforms as the limited partners at a price with reference to issuance price of last transaction of the Company's fund raising activity. All management and voting powers of the share incentive platforms are exercised by the respective general partner according to the partnership agreements, whereas the eligible participants as the limited partners of such share incentive platforms are entitled to the economic interest. Certain subscribed partnership interest are subject to vesting periods of 2 or 3 years. Generally, vested partnership interest can be transferred to other parties under the discretion of the holder, subject to certain restriction terms of the incentive schemes.

	Year ended 31 December		
	2023	**2024**	**2025**
Granted effective equity interest of the Company (%)	1.11	—	—

For the years ended 31 December 2024 and 2025, the partnership interest were granted by certain limited partners of these share incentive platforms and no shares were issued by the Company.

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Fair value of the granted effective equity interest of the Company	20,981	10,741	14,704
Total subscription cost of the granted effective interest of the Company	15,650	7,810	10,295

The fair values of the effective equity interest of the Company were measured with reference to the issuance price of a recent transaction of the Company's fund raising activity or trading price of a recent shareholder transaction.

29 Income tax in the consolidated statements of financial position

(a) Current taxation in the consolidated statements of financial position represent:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
PRC Corporate Income Tax payable	7,162	4,183	5,400
HK Profit Tax payable	—	522	1,397
	7,162	4,705	6,797

(b) Deferred tax assets recognised:

(i) Movement of each component of deferred tax assets

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

The Group

Deferred tax arising from:	Credit loss allowance	Accumulated tax losses	Unrealised internal transaction profit and loss	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	7,914	24,299	17,711	2,800	52,724
Credited/(charged) to profit or loss	1,503	5,560	(5,956)	1,182	2,289
At 31 December 2023 and 1 January 2024	9,417	29,859	11,755	3,982	55,013
Credited/(charged) to profit or loss	590	529	(4,704)	498	(3,087)
At 31 December 2024 and 1 January 2025	10,007	30,388	7,051	4,480	51,926
(Charged)/credited to profit or loss	(538)	3,564	(1,145)	(6,187)	(4,306)
At 31 December 2025	9,469	33,952	5,906	(1,707)	47,620

The Company

Deferred tax arising from:	Credit loss allowance	Accumulated tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	7,164	24,176	2,322	33,662
Credited to profit or loss	606	4,642	1,041	6,289
At 31 December 2023 and 1 January 2024	7,770	28,818	3,363	39,951
Credited to profit or loss	1,040	1,226	586	2,852
At 31 December 2024 and 1 January 2025	8,810	30,044	3,949	42,803
(Charged)/credited to profit or loss	(1,030)	2,976	(6,009)	(4,063)
At 31 December 2025	7,780	33,020	(2,060)	38,740

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(r), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB64,240,000, RMB64,252,000 and RMB62,834,000 as at 31 December 2023, 2024 and 2025 as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses expire within 5 years under current tax legislation.

30 Capital, reserves and dividends

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity are set below:

The Company

	Note	Share capital	Capital reserve	Other reserves	Share-based payment reserve	Share held for incentive scheme	Statutory reserves	Retain earnings	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023		90,000	384,240	18,445	2,118	—	39,801	316,011	850,615
Changes in equity for 2023:									
Profit and total comprehensive income for the year		—	—	—	—	—	—	57,979	57,979
Capital injection from equity shareholders	*30(c)(i)*	1,010	14,640	—	—	—	—	—	15,650
Equity-settled share-based transactions.		—	—	(12,213)	(44)	(1,010)	—	—	(13,267)
Appropriation to statutory reserves		—	—	—	—	—	6,573	(6,573)	—
Balance at 31 December 2023 and 1 January 2024		91,010	398,880	6,232	2,074	(1,010)	46,374	367,417	910,977
Changes in equity for 2024:									
Profit and total comprehensive income for the year		—	—	—	—	—	—	74,893	74,893
Equity-settled share-based transactions.		—	—	1,633	3,345	—	—	—	4,978
Dividends declared to equity shareholders		—	—	—	—	—	—	(20,000)	(20,000)
Balance at 31 December 2024 and 1 January 2025		91,010	398,880	7,865	5,419	(1,010)	46,374	422,310	970,848
Changes in equity for 2025:									
Profit and total comprehensive income for the year		—	—	—	—	—	—	90,724	90,724
Equity-settled share-based transactions.		—	—	16,285	1,362	862	—	—	18,509
Dividends declared to equity shareholders		—	—	—	—	—	—	(20,000)	(20,000)
Balance at 31 December 2025		91,010	398,880	24,150	6,781	(148)	46,374	493,034	1,060,081

(b) Dividends

During the years ended 31 December 2023, 2024 and 2025, the Company declared dividends of nil, RMB20,000,000 (RMB0.22 per share) and RMB20,000,000 (RMB0.22 per share), respectively to its equity shareholders.

(c) Share capital

(i) Issued share capital

	Year ended 31 December 2023		Year ended 31 December 2024		Year ended 31 December 2025	
	Number of shares	Share capital	Number of shares	Share capital	Number of shares	Share capital
	'000	*RMB'000*	*'000*	*RMB'000*	*'000*	*RMB'000*
Ordinary shares, issued and fully paid						
Balance at the beginning of the year	90,000	90,000	91,010	91,010	91,010	91,010
Issuance of new shares	1,010	1,010	—	—	—	—
Balance at the end of the year	91,010	91,010	91,010	91,010	91,010	91,010

In April 2023, pursuant to a resolution of shareholders' meeting, the Company and Xiamen Tuojuxin Enterprise Management Consulting Partnership (Limited Partnership) ("**Xiamen Tuojuxin**"), entered into a capital injection agreement. Xiamen Tuojuxin injected cash of RMB15,650,000 into the Company, and share capital and capital reserve increased by RMB1,010,000 and RMB14,640,000, respectively. The consideration was fully paid in cash in April 2023.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(d) Nature and purpose of reserves

(i) Capital reserve

Capital reverse mainly represents the difference between the par value of the shares of the Company and consideration for the shares issued.

(ii) Statutory reserves

Pursuant to the Articles of Association of the Company and relevant statutory regulations, appropriations to the statutory reserve fund were made at 10% of profit after tax determined in accordance with accounting rules and regulations of the Chinese Mainland until the reserve balance reaches 50% of the registered capital. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the Company provided that the balance after such conversion is not less than 25% of its registered capital, and is non-distributable other than in liquidation.

The statutory reserves in the consolidated statements of changes in equity represent the Company's statutory reserves.

(iii) Other reserves

Other reserves mainly include difference between consideration paid and for acquisition of non-controlling interests and the acquired portion of carrying amounts of non-controlling interests, share-based payment reserve in connection with vested shares, and the difference between the nominal value and the consideration payable in connection with the shares held for incentive scheme.

(iv) Share-based payment reserve

The share-based payment reserve comprises the portion of difference between the fair value of shares granted and the consideration paid by the directors and employees of the Group that has been recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 2(q)(ii).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

31 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity and interest rate risks arise in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

The Group operates in Chinese Mainland and most of the Group's monetary assets and liabilities are denominated in RMB. The management considers the Group's exposure to currency risk is insignificant.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and contract assets.

The Group's exposure to credit risk arising from cash and cash equivalents, restricted bank deposits and other financial assets is limited because the counterparties are banks and financial institutions, for which the Group considers to represent low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Contract assets and current trade receivables without a significant financing component

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers regarding credit over a certain amount. These evaluations focus on the customer's history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 90 days from the date of billing. Debtors with balances that are more than 90 days past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

At 31 December 2023, 2024 and 2025, 3.7%, 1.0% and 3.3% of the total contract assets and current trade receivables was due from the Group's largest customer in each year during the Track Record Period respectively, and 12.9%, 11.8% and 10.2% of the total contract assets and current trade receivables was due from the Group's five largest customers in each year during the Track Record Period respectively.

The Group measures loss allowances for contract assets and current trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different type of customer, the loss allowance based on past due status is not distinguished among the Group's different customer types.

For the trade receivables for which management is aware of specific information related to elevated credit risk or with pending lawsuit, the directors of the Company assesses the ECL allowances on an individual basis. The following table provides information about the Group's exposure to credit risk and ECLs for these trade receivables as at 31 December 2023, 2024 and 2025.

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gross carrying amount	29,502	37,674	50,722
Loss allowance	(26,957)	(35,266)	(41,547)
Carrying amounts	2,545	2,408	9,175

The following table provides information about the Group's exposure to credit risk and ECLs for the remaining contract assets and current trade receivables as at 31 December 2023, 2024 and 2025.

	As at 31 December 2023			
	ECL rate	Gross carrying amount	Loss allowance	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
Current or within 1 year	2.7	277,513	(7,480)	270,033
More than 1 year but within 2 years	10.5	45,868	(4,799)	41,069
More than 2 years but within 3 years	20.1	46,547	(9,376)	37,171
More than 3 years	60.4	35,557	(21,477)	14,080
		405,485	(43,132)	362,353

	As at 31 December 2024			
	ECL rate	Gross carrying amount	Loss allowance	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
Current or within 1 year	2.7	285,188	(7,639)	277,549
More than 1 year but within 2 years	10.4	36,773	(3,839)	32,934
More than 2 years but within 3 years	21.7	17,640	(3,830)	13,810
More than 3 years	51.8	43,484	(22,536)	20,948
		383,085	(37,844)	345,241

	As at 31 December 2025			
	ECL rate	Gross carrying amount	Loss allowance	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*
Current or within 1 year	1.7	282,112	(4,841)	277,271
More than 1 year but within 2 years	7.7	27,930	(2,138)	25,792
More than 2 years but within 3 years	17.9	15,959	(2,851)	13,108
More than 3 years	60.1	25,172	(15,132)	10,040
		351,173	(24,962)	326,211

ECL rates are based on actual loss experience over the past 3 years. The directors of the Company have considered factors, such as economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The movement in the loss allowance account in respect contract assets and current trade receivables during the years ended 31 December 2023, 2024 and 2025 is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	60,939	70,089	73,110
ECL recognised	11,956	9,087	1,798
Amounts written off	(2,806)	(6,066)	(8,399)
Balance at the end of the year	70,089	73,110	66,509

Trade receivables with significant financing component

The Group has put in place continuous monitoring mechanism, with regular reporting of credit exposures to internal management of credit risk. The Group's credit risk management covers key operational phases, including credit approval and post-sales monitoring. Any adverse events that may significantly affect a customer's repayment ability are reported immediately, and actions are taken to mitigate the risks.

The Group measures loss allowance for non-current trade receivables as disclosed in note 2(j)(i).

The ECL is the result of the discounted product of probability of default (PD), exposure at default (EAD) and loss given default (LGD). The definitions of these terms are as follows:

— PD refers to the likelihood that a counterparty will be unable to meet his repayment obligations over the next 12 months or the remaining lifetime of the receivables;

— EAD is the amount that the Group should be reimbursed upon default of an obligor over the next 12 months or the remaining lifetime of the receivables;

— LGD refers to the expected degree of loss arising from the exposure at default which is predicted by the Group. LGD varies according to different types of counterparties, methods and priority of recovering debts.

The Group determines the expected credit losses by estimating the PD, LGD and EAD of individual exposure or asset portfolios in the future months. The Group multiplies these three parameters and makes adjustments according to the probability of their continuance (i.e. there is no prepayment or default at an earlier period). By adopting this approach, the Group can calculate the expected credit losses for the future months. The results of calculation for each month are then discounted to the balance sheet date and added up. The discount rate used in the calculation of ECL is the initial effective interest rate or its approximate value.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables with a significant financing component as at 31 December 2023, 2024 and 2025.

	As at 31 December 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross carrying amount	19,497	10,538	619	30,654
Less: Allowances for ECLs	(532)	(47)	(619)	(1,198)
Net carrying amount	18,965	10,491	—	29,456

	As at 31 December 2024			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross carrying amount	22,719	21,273	733	44,725
Less: Allowances for ECLs	(883)	(83)	(733)	(1,699)
Net carrying amount	21,836	21,190	—	43,026

	As at 31 December 2025			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross carrying amount	29,555	23,429	2,050	55,034
Less: Allowances for ECLs	(437)	(585)	(1,725)	(2,747)
Net carrying amount	29,118	22,844	325	52,287

Movements of allowances for impairment losses

	Year ended 31 December 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January	145	22	625	792
Transferred				
— to lifetime ECL not credit-impaired	(8)	8	—	—
Charged for the year	515	21	92	628
Recoveries	(120)	(4)	(98)	(222)
As at 31 December	532	47	619	1,198

	Year ended 31 December 2024			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January	532	47	619	1,198
Transferred				
— to lifetime ECL not credit-impaired	(18)	18	—	—
— to lifetime ECL credit-impaired	—	(56)	56	—
Charged for the year	530	87	139	756
Recoveries	(161)	(13)	(81)	(255)
As at 31 December	883	83	733	1,699

	Year ended 31 December 2025			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January	883	83	733	1,699
Transferred				
— to lifetime ECL not credit-impaired	(283)	283	—	—
— to lifetime ECL credit-impaired	—	(7)	7	—
Charged for the year	439	278	1,707	2,424
Recoveries	(602)	(52)	(722)	(1,376)
As at 31 December	437	585	1,725	2,747

(b) Liquidity risk

The treasury function of the Group is centrally managed by the Group, which includes the short-term investment of cash surpluses and the raising of funds to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the date the Group is contractually required to pay, or if the counterparty has the choice of when the amount should be paid (irrespective of the fulfilment of covenants), and the earliest date the Group can be required to pay:

	As at 31 December 2023					
	Contractual undiscounted cash outflow					Carrying amount on consolidated statements of financial position
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	10,165	—	—	—	10,165	10,011
Lease liabilities	20,318	8,662	9,163	581	38,724	30,874
Trade and other payables	213,334	—	—	—	213,334	213,334
	243,817	8,662	9,163	581	262,223	254,219

	As at 31 December 2024					
	Contractual undiscounted cash outflow					Carrying amount on consolidated statements of financial position
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	30,895	—	—	—	30,895	29,508
Lease liabilities	47,642	24,907	13,900	1,015	87,464	64,684
Trade and other payables	212,645	—	—	—	212,645	212,645
	291,182	24,907	13,900	1,015	331,004	306,837

	As at 31 December 2025					
	Contractual undiscounted cash outflow					Carrying amount on consolidated statements of financial position
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	5,150	4,696	27,416	45,622	82,884	71,740
Lease liabilities	21,145	14,338	20,739	3,404	59,626	51,129
Trade and other payables	181,089	—	—	—	181,089	181,089
	207,384	19,034	48,155	49,026	323,599	303,958

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from cash balances at bank and on hand, fixed deposits, bank loans, restricted bank deposits and lease liabilities. Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively. The Group's interest rate risk profile as monitored by management is set out in (i) below.

(i) Interest rate risk profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group at the end of each reporting period:

		As at 31 December		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Fixed rate instruments:				
Cash at bank and on hand	*23(a)*	48,796	—	—
Bank loans	*24*	(10,011)	(29,508)	(71,740)
Lease liabilities	*25*	(30,874)	(64,684)	(51,129)
		7,911	(94,192)	(122,869)
Variable rate instruments:				
Cash balances with payment platforms	*23(a)*	722	812	1,025
Cash at bank and on hand	*23(a)*	140,866	163,527	189,650
Restricted bank deposits	*22*	35,551	26,796	61,003
		177,139	191,135	251,678

(ii) Sensitivity analysis

At 31 December 2023, 2024 and 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's profit after tax and retained profits by approximately RMB1,506,000, RMB1,625,000 and RMB2,139,000 respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained profits) is estimated as an annualised impact on interest expense or income of such a change in interest rates. The sensitivity analyses are performed on the same basis during the years ended 31 December 2023, 2024 and 2025.

(d) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at 31 December 2025	Fair value measurements as at 31 December 2025 categorised into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements				
Financial assets measured at fair value through profit or loss:				
— Listed equity securities	139	139	—	—
— Trust units	76	—	—	76

There was no financial instruments measured at fair value as at 31 December 2023 and 2024.

As at 31 December 2025, it is estimated that the volatility on significant unobservable inputs used in the fair value measurement would not have material impact on fair value of trust units.

During the years ended 31 December 2023, 2024 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost are not materially different from their fair values at 31 December 2023, 2024 and 2025.

32 Commitments

Commitments outstanding at 31 December 2023, 2024 and 2025 for property, plant and equipment, which was not provided in the financial statements were as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contracted for acquisition of property, plant and equipment	288	85,412	75,187

33 Material related party transactions

The Group entered into the following material related party transactions during the years ended 31 December 2023, 2024 and 2025.

Name of related parties	**Relationship**
Mr. Sun Longxi and Mr. Huang Jinlian	Controlling shareholders
Xiamen Hualong Electronic Technology Co., Ltd. (廈門鏵龍電子科技有限公司)*	Entity controlled by Controlling shareholders of the Company
Wuxi Geomatec Optoelectronic Technology Co., Ltd. (無錫吉奧馬光電科技有限公司)*	Entity controlled by Controlling shareholders of the Company
Geoma Technology (Wuxi) Co., Ltd. (吉奧馬科技(無錫)有限公司)*	Entity controlled by Controlling shareholders of the Company before 9 November 2023
Xuzhou Ketuo Parking Management Service Co., Ltd. (徐州科拓停車管理服務有限公司)*	Associate of the Group before 25 February 2025
Zunyi Zhijie Urban Construction and Development Co., Ltd. (遵義市智捷城市建設發展有限公司)*	Associate of the Group before 8 December 2025
Chongqing Bayu Shuzhi Urban Operation Service Co., Ltd. (重慶巴渝數智城市運營服務有限公司)*	Associate of the Group

* *The English translation of the company's name is for reference only. The official name of this company is in Chinese.*

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in note 8, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages allowances and other benefits in kind	1,949	2,031	2,029
Equity-settled share-based payment expenses	—	—	—
Retirement scheme contributions	91	94	96
	2,040	2,125	2,125

Total remuneration is included in "staff costs" (see note 6(b)).

(b) Other transaction with related parties

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Purchase of goods and service from			
— Entities controlled by Controlling shareholders of the Company	574	806	1,454
Sales of goods to			
— Associates of the Group	2,350	266	874

(c) Balances with related parties

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade in nature			
Trade receivables			
— Associates of the Group	7,502	7,206	6,940
Trade in nature			
Trade payables			
— Entities controlled by Controlling shareholders of the Company	22	87	138

All of the balances are unsecured, interest-free and repayable on demand at the end of each reporting period.

(d) As at 31 December 2023, 2024 and 2025, bank loans of nil, RMB22,000,000 and nil of the Group were guaranteed by Mr. Sun Longxi and Mr. Huang Jinlian (note 24) and their affiliated individuals. As at 31 December 2025, bank loans of RMB57,840,000 of the Group were guaranteed by Mr. Sun Longxi and his affiliated individuals.

All the guarantees provided by related parties will be released prior to Listing.

34 Ultimate controlling party

The directors of the Company considered the ultimate controlling party of the Company as at 31 December 2023, 2024 and 2025 was Mr. Sun Longxi and Mr. Huang Jinlian.

35 Possible impact of new or amendments, new standards and interpretations issued but not yet effective for the accounting periods beginning on 1 January 2025

Up to the date of issue of the Historical Financial Information, the IASB has issued a number of new or amended standards, which are not yet effective for the accounting period beginning on 1 January 2025 and which have not been adopted in the Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures — Contracts referencing nature-dependent electricity*	1 January 2026
Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18, *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19, *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

IFRS 18, Presentation and disclosure in financial statements

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

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

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

The Group is in the process of making an assessment of what the impact of other developments is expected to be in the period of initial application. So far it has concluded that, except for IFRS18 as mentioned above, the adoption of these developments is unlikely to have a significant impact on the consolidated financial statements of the Group.

36 Subsequent events after reporting period

In April 2026, the Company declared and paid dividends of RMB20,000,000 to its equity shareholders.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries of the Group in respect of any period subsequent to 31 December 2025.

The information set forth in this appendix does not form part of the Accountants' Report prepared by KPMG, Certified Public Accountants, Hong Kong, the Company's reporting accountants as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set out in Appendix I to this document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets attributable to the equity shareholders of the Company as of 31 December 2025 as if the Global Offering had taken place on 31 December 2025.

This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of 31 December 2025 or at any future date.

	Consolidated net tangible assets attributable to equity shareholders of the Company as at 31 December 2025(1)	Estimated net proceeds from the Global Offering(2)(4)	Pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company	Pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share(3)(4)	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
Based on the offer price of HK$39.55 per H Share	1,014,974	323,005	1,337,979	13.25	15.22

Notes:

(1) The consolidated net tangible assets attributable to equity shareholders of the Company as of 31 December 2025 is based on the total equity attributable to equity shareholders of the Company of RMB1,015,152,000 after deducting intangible assets of RMB178,000 as of 31 December 2025, which are extracted from the Accountants' Report set out in Appendix I to the Prospectus.

(2) The estimated net proceeds from the Global Offering are based on the offer prices of HK$39.55 per H Share and the issuance of 10,112,280 H Shares, after deduction of the underwriting fees and other related expenses paid or payable by the Group (excluding the listing expenses charged to profit or loss during the Track Record Period), and takes no account of any Shares that may be issued upon exercise of the Over-Allotment Option.

(3) The pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share are arrived at after the adjustments referred to in the preceding paragraphs and on the basis a total of 100,974,514 Shares (which is calculated based on 101,122,609 shares expected to be outstanding upon completion of the Global Offering and adjusted for 148,095 unvested shares held by the employee incentive scheme), but does not take into account of any Shares that may be issued upon exercise of the Over-Allotment Option.

(4) The estimated net proceeds from the Global Offering and the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share are converted from or into Hong Kong dollars (the "HK$") at an exchange rate of RMB0.8705 to HK$1. No representation is made that HK$ amounts have been, could have been or may be converted into RMB, or vice versa, at that rate.

(5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2025. In particular, the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company as at 31 December 2025 have not been taken into account the dividend of RMB20,000,000 declared and paid in April 2026. Had the dividend of RMB20,000,000 been approved and paid on 31 December 2025, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2025 would have been decreased by RMB20,000,000 and the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company per Share as at 31 December 2025 would have been decreased by RMB0.20 or HK$0.23.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this prospectus.

KPMG

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF KEYTOP PARKING INC.

We have completed our assurance engagement to report on the compilation of pro forma financial information of KEYTOP PARKING INC. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 December 2025 and related notes as set out in Part A of Appendix II to the prospectus dated 17 June 2026 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the H shares of the Company (the "Global Offering") on the Group's financial position as at 31 December 2025 as if the Global Offering had taken place at 31 December 2025. As part of this process, information about the Group's financial position as at 31 December 2025 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Opinion

In our opinion:

a) the pro forma financial information has been properly compiled on the basis stated;

b) such basis is consistent with the accounting policies of the Group, and

c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to Paragraph 4.29(1) of the Listing Rules.

KPMG
Certified Public Accountants
Hong Kong

17 June 2026

This appendix contains a summary of the main provision of the Articles of Association of our Company adopted on April 11, 2025, which will take effect from the date of the Listing of H Shares on the Stock Exchange. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association of our Company, so it may not contain all the information that is important to potential investors.

SHARES AND REGISTERED CAPITAL

The Company shall issue shares under the principles of openness, fairness and impartiality and shares of the same class shall carry the equal rights. Shares of the same class issued at the same time shall be issued under the same condition and at the same price. Shares subscribed by any entity or individual shall be paid for at the same consideration.

INCREASE AND REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Increase of Capital

The Company may, based on its operating and development needs, increase its capital in the following ways pursuant to the requirements of laws and regulations and subject to the resolutions separately passed at the general meetings:

(i) by public offering of shares;

(ii) by non-public offering of shares;

(iii) by allotting bonus shares to its existing shareholders;

(iv) by converting common reserve fund into share capital;

(v) by any other means which is stipulated by law and administrative regulations, the Listing Rules, other regulatory rules of the stock exchange where the Company is listed, and other methods approved by the CSRC or other relevant national regulatory authorities.

Reduction of Capital

The Company may reduce its registered capital in accordance with the provisions of the Articles of Association. The Company shall reduce its registered capital in accordance with the PRC Company Law, the Listing Rules and other relevant regulations as well as the procedures stipulated in the Articles of Association.

The Company shall inform its creditors of the reduction in capital within ten (10) days and make public announcements in newspapers within thirty (30) days after the resolution approving the reduction has been adopted. The creditors shall, within thirty (30) days since the date of receiving a written notice or within forty five (45) days since the date of the public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

The registered capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

Repurchase of Shares

The Company shall not repurchase its shares in accordance with the laws and regulations, the Articles of Association and the relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed, except in the following circumstance:

(i) to reduce its registered capital;

(ii) to merge with another company that holds the shares;

(iii) to utilize shares in the employee share ownership plans or share incentive plans;

(iv) to acquire the shares upon request by shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company;

(v) to use the shares in the conversion of the convertible corporate bonds issued by the Company;

(vi) Necessary for the Company to protect its value and the shareholders' equity.

Where the Company repurchases its shares under the circumstances set out in items (i) and (ii) of the preceding paragraph, it shall be subject to the resolution of the general meeting. Where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) of the preceding paragraph, it shall be subject to the resolution of the Board meeting attended by more than two-thirds (2/3) of the directors in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

The shares repurchased by the Company in accordance with the paragraph 1 shall be processed in the following ways: for the circumstance in item (i), such shares shall be canceled in ten days after the date of repurchase. For the circumstance in item (ii) or (iv), such shares shall be transferred or canceled in six months. For the circumstance in item (iii), (v) or (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred to employees or canceled in three years.

TRANSFER OF SHARES

Shares issued by the Company prior to its public offering shall not be transferred within one (1) year as of the date on which the shares are listed and traded in a stock exchange.

The Directors and senior management of the Company shall regularly declare the number of shares held by them and the relevant changes. The number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares in the same class of the Company held by them. The shares of the Company held by them shall not be transferred within one (1) year as of the listing date of the shares of the Company. The shares of the Company held by them shall not be transferred within six months after their departure. Where the rules of the stock exchange where the Company's shares are listed have other provisions on the transfer of shares, such provisions shall also be complied with.

The Company shall not accept its own shares as collateral.

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Shareholders

The Company shall establish a register of shareholders with the information provided by the securities registration authority. The register of shareholders shall be sufficient evidence of the holding of the shares of the Company by the shareholders. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Rights and Obligations of Shareholders

Shareholders of the Company shall entitle the following rights:

(i) to the Company for dividends and other forms of profit distribution according to the proportion of shares they hold;

(ii) to request, convene, hold, participate or authorize proxies to attend shareholders' general meeting, and to exercise voting rights according to the proportion of shares they hold;

(iii) to supervise the business operations of the Company and to make suggestions or inquiries;

(iv) to transfer, give or pledge the shares held by them in accordance with the laws and regulations, and the Articles of Association;

(v) to inspect or make copies of Articles of Association, all of the register of shareholders, stubs of corporate bonds, minutes of shareholders' general meetings, resolutions of the Board meetings, financial and accounting reports. Shareholders who satisfy the prescribed criteria may also inspect the Company's accounting books and accounting vouchers;

(vi) to participate in the distribution of the remaining property of the Company according to the proportion of shares they hold when the Company is terminated or liquidated;

(vii) to require the Company to buy back its shares in the event that shareholders objecting to resolutions of the general meeting concerning merger or division of the Company;

(viii) other rights set out in laws and regulations, the Listing Rules and the Articles of Association.

A shareholder requesting for inspection of information or access to materials according to the Articles of Association shall produce to the Company written documents evidencing the class and number of shares that the shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder.

Shareholders of the Company shall assume the following obligations:

(i) to abide by the laws and regulations and the Articles of Association;

(ii) to make a capital contribution according to the shares they subscribe for and the capital contribution method;

(iii) not to withdraw shares unless otherwise provided by laws and regulations;

(iv) not to abuse their shareholders' rights to harm the Company's or other shareholders' interests; not to abuse the Company's legal person status or the shareholders' limited liability to harm the interests of the Company's creditors;

(v) other obligations to be assumed by the Shareholders according to the laws and regulations, the Listing Rules, other regulatory rules of the stock exchange where the Company is listed, and the Articles of Association.

If a shareholder abuses his/her shareholder rights and causes a loss to the Company or other shareholders, he or she shall be held liable for damages in accordance with laws. If a shareholder abuses the independent legal person status of the Company or the limited liability of shareholders in order to evade debts and thereby seriously damages the interests of the Company's creditors, he or she shall assume joint and several liability for the Company's debts.

SHAREHOLDERS' GENERAL MEETING

General rules for the Shareholders' General Meeting

The general meeting acts as the supreme authority of the Company which, according to laws, exercises the following functions and power:

(i) to elect and replace the directors assumed by non-representatives of the employees and decide on matters relating to the remuneration of the directors;

(ii) to review and approve the reports of the Board of Directors;

(iii) to review and approve the Company's profit distribution plans and loss recovery plans;

(iv) to decide on the increase or reduction of the Company's registered capital;

(v) to decide on the issue of bonds by the Company;

(vi) to decide on merger, division, dissolution, liquidation of the Company, or changes in the form of the Company;

(vii) to amend these Articles of Association;

(viii) to decide on the engagement or dismissal of the accounting firms of the Company;

(ix) to review and approve the transaction-related matters stipulated in Article 47;

(x) to review and approve the security-related matters stipulated in Article 48;

(xi) to review the matters of purchase and/or sale by the Company within one year of significant assets exceeding 30% of the latest audited total assets of the Company;

(xii) to review and approve the change of the use of the raised funds;

(xiii) to review share incentive plans and employee stock ownership plans;

(xiv) to consider and decide on other matters that are required to be resolved by the general meeting pursuant to laws, administrative regulations, departmental rules, the Listing Rules, or the Articles of Association.

The Company shall convene an extraordinary general meeting within two (2) months in any of the following cases:

(i) when the number of Directors is less than the number prescribed by the PRC Company Law or less than two-thirds (2/3) of the amount required by these Articles of Association;

(ii) when the Company's uncovered losses amount to one-third (1/3) of the total paid-up share capital;

(iii) when shareholders, individually or collectively, holding more than ten percent (10%) of the voting shares of the Company request;

(iv) when the Board of Directors deems it's necessary;

(v) when the Audit Committee deems it's necessary;

(vi) Other circumstances as stipulated by laws, regulations, the Listing Rules, other regulatory rules of the stock exchange where the Company is listed or these Articles of Association.

The Convening of the General Meeting

With the approval of a majority of all Independent non-executive Directors, the Independent non-executive Directors shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting. In response to a proposal by an Independent non-executive Directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the laws and regulations, the Listing Rules, other regulatory rules of the stock exchange where the Company is listed and these Articles of Association, provide written feedback within ten (10) days after receiving the proposal to agree or disagree with the convening of the extraordinary general meeting. If the Board of Directors agrees to convene an extraordinary general meeting, it will issue a notice of the convening of the general meeting within five (5) days after making a resolution of the Board of Directors.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting, and shall make such proposal in writing. The Board of Directors shall, in accordance with the laws and regulations, the Listing Rules, other regulatory rules of the stock exchange where the Company is listed and these Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten (10) days after receiving the proposal.

Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company may sign written requests to the Board of Directors for the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with the laws and regulations, the Listing Rules, other regulatory rules of the stock exchange where the Company is listed and these Articles of Association, provide written feedback within ten (10) days after receiving the request, whether it agrees or does not agree to convene an extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall, within five (5) days after making a resolution of the Board of Directors, issue a notice to convene the general meeting, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.

If the Board of Directors does not agree to convene an extraordinary general meeting, or does not provide feedback within ten (10) days after receiving the request, shareholders, individually or collectively, holding more than ten (10) percent of the shares of the Company shall have the right to propose to the Audit Committee the convening of an extraordinary general meeting, and shall submit their request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall, within five (5) days after receiving the request, issue a notice convening the general meeting, and any changes to the original proposal in the notice shall be subject to the consent of the shareholders concerned.

If the Audit Committee fails to issue a notice of a general meeting within the prescribed period, it shall be deemed not to convene and preside over the general meeting. Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company for more than ninety (90) consecutive days may convene and preside over the general meeting on their own. The shareholding of the convening shareholder shall not be less than ten percent (10%) before the announcement of the resolution of the general meeting.

Notices of the Shareholders' General Meeting

The convener shall notify all shareholders of the time, place and matters to be considered at the meeting at least twenty-one (21) calendar days prior to the annual general meeting, and shall notify all shareholders of the time, place and matters to be considered at the meeting fifteen (15) calendar days prior to the extraordinary general meeting.

The notice of the general meeting shall meet the following requirements:

(i) the time, venue and duration of the meeting;

(ii) subject matters and proposals submitted for consideration and approval at the meeting;

(iii) it shall be clearly stated that all holders of ordinary shares are entitled to attend general meetings, and may appoint a proxy in writing to attend and vote at the meeting on their behalf. Such proxy need not be a shareholder of the Company;

(iv) the equity registration date of the shareholders who are entitled to attend on the general meetings;

(v) name(s) and telephone number(s) of the standing contact person(s) for the affairs of meetings;

(vi) the time and procedures for voting via the internet or by other means;

(vii) other requirements stipulated by laws and regulations, Listing Rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Resolutions at the General Meeting

The resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be adopted by more than half (1/2) of the voting rights held by the shareholders (including shareholders' proxies) present at the general meeting.

Special resolutions of the general meeting shall be adopted by more than two-thirds (2/3) of the voting rights held by the shareholders (including shareholders' proxies) present at the general meeting.

The following matters shall be resolved by way of ordinary resolution of the general meeting:

(i) work reports of the Board of Directors;

(ii) proposals formulated by the Board of Directors for distribution of profits or loss recovery plans;

(iii) appointment and removal of directors of the Board of Directors, and their remuneration and method of payment of their remuneration;

(iv) engagement or dismissal of the accounting firms of the Company;

(v) all matters required to be approved by a general meeting other than those required to be approved by way of special resolution under any laws, regulations, Listing Rules, regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

The following matters shall be resolved by way of special resolution of the general meeting:

(i) the increase or reduction of the registered capital by the Company.

(ii) the merger, spin-off, division, dissolution, or liquidation of the Company.

(iii) the amendment to these Articles of Association.

(iv) the amount of purchase and the sale of major assets or the guarantee by the Company within one year exceeds 30% of the latest audited total assets of the Company.

(v) the share incentive plans.

(vi) other matters which the laws, regulations, securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association require to be adopted by special resolutions.

Shareholders (including shareholders' proxies), may exercise voting rights in the amount of the voting shares they represent and each share shall have one vote.

Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

When a connected transaction is considered at a general meeting, the connected shareholders and their close associates shall abstain from voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced at the general meeting for a term of three (3) years and may be re-elected upon the expiration of the term.

The general manager or other senior management members may concurrently serve as Directors, provided that the total number of Directors who concurrently serve as general manager or other senior management members and Directors who are employee representatives shall not exceed half (1/2) of the total number of Directors of the Company.

Board of Directors

The Directors of the Company are divided into executive Directors, non-executive Directors and independent non-executive Directors. The number of independent non-executive Directors shall represent at least one-third (1/3) of the members of the Board of Directors. At least one independent non-executive director must possess appropriate professional qualifications or accounting or related financial management expertise, and at least one independent non-executive director must ordinarily reside in Hong Kong.

The Company shall have a Board of Directors, which shall consist of seven (7) Directors and shall have one (1) chairman of the Board.

The Board of Directors of the Company shall include one director who is a representative of the employees. The employee representative director shall be elected democratically by the employees of the Company through the employees' congress, general meeting of employees, or other forms of democratic election.

The Board of Directors shall exercise the following functions and powers:

(i) to convene general meetings and report on its work to the general meetings;

(ii) to implement the resolutions of the general meeting;

(iii) to determine the business operation plans and investment plans of the Company;

(iv) to formulate the profit distribution plans and loss recovery plans of the Company;

(v) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;

(vi) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution, liquidation or change of corporate form of the Company;

(vii) Within the scope of authorization granted by the general meeting, to decide on matters such as the Company's external investments, acquisition or disposal of assets, asset pledges, provision of external guarantees, entrusted wealth management, and connected transactions;

(viii) to formulate the basic management policies of the Company;

(ix) to determinate the setup of the Company's internal management organizations;

(x) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board of Directors and other senior management members, and to decide on matters over the remunerations and rewards or punishments thereof. And to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management as well as their remunerations and rewards or punishments according to the nomination of the general manager;

(xi) to formulate the amendment to the Articles of Association;

(xii) to manage the information disclosure of the Company;

(xiii) to advise the general meeting to engage or replace the accounting firm that provides audits for the Company;

(xiv) to listen to the work report of the manager of the Company and inspect the work of the manager;

(xv) other functions and powers conferred by laws and regulations, the Listing Rules of the place where the Company's shares are listed and these Articles of Association.

The chairman of the Board shall exercise the following functions and powers:

(i) to preside over general meetings and to convene and preside over meetings of the Board;

(ii) to supervise and inspect the implementation of the resolutions of the Board;

(iii) to propose the convening of an extraordinary meeting of the Board;

(iv) to sign important documents of the Board;

(v) in the event of force majeure emergency such as the occurrence of a major natural disaster, to exercise special disposal authority over the affairs of the Company in accordance with the provisions of the law and the interests of the Company, and to report to the Board and the general meeting of shareholders of the Company afterwards;

(vi) other functions and powers conferred by the Board.

The Board of Directors shall convene at least four meetings each year, approximately once every quarter, and such meetings shall be convened by the chairman of the Board. The notice of a regular Board meeting shall be sent to all Directors at least fourteen (14) days before the date of the meeting.

Shareholders representing more than one tenth of all voting rights, more than one third of all directors or the Audit Committee may propose the holding of an extraordinary meeting of the Board. The chairman of the Board shall, within 10 days of receipt of such proposal, convene and preside over the meeting of the Board of Directors.

The notice of an extraordinary meeting of the Board shall be given to all directors at least 3 days prior to the meeting.

Voting at Board meetings is conducted by open ballot, with each Director having one vote. Resolutions of the Board of Directors shall be passed by more than half of all Directors.

AUDIT COMMITTEE

An Audit Committee shall be established under the Board of Directors to perform the duties and powers of the supervisory committee as prescribed by the PRC Company Law.

The Audit Committee shall consist of three members, who shall be non-executive directors and independent non-executive directors not holding any senior management positions in the Company. At least two (2) of the members shall be independent non-executive directors, and the chairman of the Committee shall be an accounting professional among the independent non-executive directors.

The Audit Committee shall be responsible for reviewing the Company's financial information and its information disclosure, as well as supervising and assessing both internal and external audit activities and internal controls. The following matters shall be submitted to the Board of Directors for consideration only after being approved by a majority of all members of the Audit Committee:

(i) disclosure of financial information in financial and periodic reports, and the internal control evaluation report;

(ii) engagement or dismissal of the accounting firm of the Company;

(iii) appointment or dismissal of the Company's chief financial officer;

(iv) changes in accounting policies or accounting estimates, or correction of material accounting errors, except those resulting from changes in accounting standards;

(v) other matters as prescribed by laws, regulations, the CSRC, the regulatory rules of the stock exchange where the Company's shares are listed, the Listing Rules, and the Articles of Association.

Resolutions of the Audit Committee shall be passed by a majority of its members.

GENERAL MANAGER

The Company shall have one (1) general manager, who shall be appointed or dismissed by the Board of Directors.

The Company shall have several deputy general managers who shall be appointed or dismissed by the Board of Directors upon nomination by the general manager.

The general manager shall be directly accountable to the Board of Directors and exercise the following functions and powers:

(i) to be in charge of the operation and management of the Company, to organize and implement the resolutions of the Board of Directors, and to report on his/her work to the Board of Directors;

(ii) to organize and implement the Company's annual business plan and investment plan;

(iii) to draft the plan for establishment of the Company's internal management organization;

(iv) to draft the Company's basic management policies;

(v) to formulate the detailed rules and regulations of the Company;

(vi) to request the Board of Directors to appoint or dismiss deputy general manager and chief financial officer of the Company;

(vii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(viii) to draft the Company's employee compensation, benefits, rewards and penalties, and to decide on the employment and dismissal of the Company's employees;

(ix) to propose the convening of an extraordinary meeting of the Board of Directors;

(x) to draft the Company's development plan, major investment projects, and annual production and business plans;

(xi) to draft the Company's post-tax profit distribution plans, loss recovery plans, and plans for using the Company's assets as collateral for financing;

(xii) to approve the various expense expenditures in the daily operation and management of the Company;

(xiii) to draft proposals for increasing or decreasing the Company's registered capital and issuing corporate bonds;

(xiv) other functions and powers conferred by the Articles of Association and the Board of Directors.

SECRETARY TO THE BOARD

The Company shall have one (1) Board secretary. The Board secretary shall be a senior management member of the Company.

The Company shall have a secretary to the Board of Directors, whose responsibilities include preparing general meetings and Board meetings of the Company, maintaining documents and managing shareholder information of the Company, and handling the information disclosure of the Company.

The secretary to the Board of Directors shall comply with relevant provisions of the laws and regulations, departmental rules, other regulatory rules of the stock exchange where the Company is listed and these Articles of Association.

BORROWING POWER

The Articles of Association do not contain any specific provision regarding the manner in which the Directors may exercise the right to borrow money or the manner in which such a right is given provided that the Board of Directors shall be entitled to formulate proposals for the Company to issue bonds and to list its shares, and that such bond issues must be approved by the shareholders by a special resolution at the shareholders' general meeting.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall formulate its own financial and accounting systems in accordance with the laws, regulations, securities regulatory rules of the stock exchange where the Company is listed and the requirements of relevant state departments.

The Company shall submit, disclose, and/or deliver to shareholders its annual reports, interim reports, preliminary results announcements, and other financial disclosure documents in accordance with the Listing Rules and other regulatory rules.

PROFIT DISTRIBUTION

The Company shall implement a continuous and stable profit distribution policy. The profit distribution of the Company shall emphasize providing reasonable investment returns to investors. The objective of the cash dividend policy is to achieve steadily increasing dividends.

A reasonable portion of the Company's profits shall be distributed, provided that adequate funds are reserved to meet its operational needs and future development.

The Company may implement interim cash dividends.

Form of profit distribution: the Company may distribute profits in the form of cash, shares or a combination of cash and shares. If the conditions for cash dividends are satisfied, priority shall be given to cash dividends for profit distribution.

The Company is not required to distribute profits if:

(i) the audit report on it for the most recent year is either a non-unqualified opinion or an unqualified opinion with a significant uncertainty paragraph relating to going concern;

(ii) the asset-liability ratio at the end of the most recent fiscal year is higher than 70%;

(iii) the operating cash flow is negative in the most recent fiscal year;

(iv) any other circumstances that the Company deems inappropriate for distribution occurs.

INTERNAL AUDIT

The Company implements an internal audit system and has established the internal audit department with full-time auditors to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities.

The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the Board. The person in charge of audit shall be accountable and report to the Board.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company may be dissolved for any of the following reasons:

(i) the term of business operation prescribed in the Articles of Association expires or any other circumstance for dissolution prescribed in the Articles of Association occurs.

(ii) the general meeting resolves to dissolve the Company.

(iii) dissolution is required due to merger or division of the Company.

(iv) the Company is revoked of its business license, ordered to close down or annulled according to law due to violation of laws and regulations.

(v) there is severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of its shareholders and there is no other way to resolve, shareholders who hold an aggregate of over ten percent (10%) of the whole voting rights can make a petition to the people's court to dissolve the Company.

Where any of the circumstances prescribed in items (i) or (ii) occurs, and has not distributed its assets to shareholders, the Company may continue to exist by amending these Articles of Association.

If the Company is dissolved under items (i), (ii), (iv), and (v), a liquidation committee shall be established within fifteen (15) days from the occurrence of the cause for dissolution, and liquidation shall commence accordingly. The liquidation committee shall be composed of the directors, unless otherwise provided in these Articles of Association or a resolution of the shareholders' general meeting appoints other persons.

If the liquidation committee is not established within the prescribed period, or fails to carry out liquidation after being established, interested parties may apply to the people's court to designate relevant personnel to form a liquidation committee and proceed with the liquidation.

The liquidation committee shall notify the creditors within ten (10) days from the date of its establishment, and shall make a public announcement within sixty (60) days via newspapers or the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notice, or within forty-five (45) days from the date of the public announcement if no notice is received.

If, after verifying the Company's assets and preparing a balance sheet and an asset register, the liquidation committee determines that the Company's assets are insufficient to satisfy its debts, it shall, in accordance with applicable laws, apply to the people's court for bankruptcy liquidation.

Upon acceptance of the application by the court, the liquidation committee shall transfer the liquidation matters to the liquidator appointed by the court.

Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the shareholders' general meeting or the people's court for confirmation, and filed with the Company registration authority for application of deregistration.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

(i) after the PRC Company Law or relevant laws and regulations are amended, the provisions of the Articles of Association are in conflict with the provisions of the amended ones.

(ii) there has been a change to the Company, resulting in inconsistency with the contents in the Articles of Association.

(iii) the general meeting decides to amend the Articles of Association.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

Our Company was incorporated as a company with limited liability in the PRC on June 27, 2006. and was converted into a joint stock company under the PRC laws on August 28, 2011. Our registered address is at Unit 301, No. 58 Guanri Road, Xiamen Software Park, Xiamen, Fujian Province, the PRC, and our principal place of business is at 3/F, Building 3, Guanyin Mountain Business Center, No. 155 Taidong Road, Xiamen, Fujian Province, the PRC.

We have established a place of business in Hong Kong at 19th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 7, 2025. Ms. So Lai Shan (蘇麗珊), our joint company secretary, is the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance. The address for service of process on our Company in Hong Kong is the same as its principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. An overview of the relevant aspects of laws and regulations of the PRC is set out in the section headed "Regulatory Overview" in this prospectus. A summary of our Articles of Association is set out in Appendix III to this prospectus.

B. Changes in the Share Capital of our Company

As of the date of our establishment as a joint stock company with limited liability, our registered capital was RMB11,000,000 consisting of 11,000,000 issued Domestic Shares with a nominal value of RMB1.00 each, which has been fully paid up by our promoters. See the section headed "History, Development and Corporate Structure — Corporate Development of our Company" for the major changes in the share capital of our Company since our establishment as a joint stock company.

Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, assuming that the Over-allotment Option is not exercised, our registered share capital will be increased to RMB101,122,609, divided into 2,857,040 Domestic Shares and 98,265,569 H Shares, fully paid up or credited as fully paid up, representing approximately 2.83% and approximately 97.17% of our enlarged share capital, respectively.

There has been no alteration in the share capital within two years immediately preceding the date of this prospectus.

C. Shareholding of the Existing Shareholders

Set out below is the shareholding of the existing Shareholders immediately before and after the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and the Conversion of Domestic Shares into H Shares.

Name of Shareholders	Number of Domestic Shares as of the Latest Practicable Date and immediately prior to the Global Offering and the Conversion of Domestic Shares into H Shares	Approximate percentage of the Domestic Shares in the total issued share capital of our Company as of the Latest Practicable Date and immediately prior to the Global Offering and the Conversion of Domestic Shares into H Shares (%)	Number of converted H Shares	Approximate percentage of converted H Shares in the total issued share capital of our Company immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised) (%)	Number of remaining Domestic Shares immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised)	Approximate percentage of remaining Domestic Shares in the total issued share capital of our Company immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised) (%)
Mr. Sun	23,996,383	26.37%	23,996,383	23.73%	—	—
Mr. Huang	21,787,340	23.94%	21,787,340	21.55%	—	—
Linzhi Lixin Information Technology Co., Ltd. (林芝利新信息技術有限公司)	5,603,521	6.16%	5,603,521	5.54%	—	—
Peng Jianhu (彭建虎)	5,541,520	6.09%	2,684,480	2.65%	2,857,040	2.83
Chongqing Jiatuo Tiancheng Enterprise Management Partnership (Limited Partnership) (重慶加拓添成企業管理合夥企業(有限合夥))	3,981,946	4.38%	3,981,946	3.94%	—	—
Xiamen Zhengzhi Equity Investment Partnership (Limited Partnership) (廈門正志股權投資合夥企業(有限合夥))	3,824,204	4.20%	3,824,204	3.78%	—	—
Chongqing Hongtai Zhiying Equity Investment Center (Limited Partnership) (重慶洪泰致盈股權投資中心(有限合夥))	3,381,345	3.72%	3,381,345	3.34%	—	—
Yu Sheng (余盛)	3,374,031	3.71%	3,374,031	3.34%	—	—
Xiamen Suming Enterprise Management Consulting Partnership (Limited Partnership) (廈門速銘企業管理諮詢合夥企業(有限合夥))	3,292,718	3.62%	3,292,718	3.26%	—	—
Xiamen Juhua Enterprise Management Consulting Partnership (Limited Partnership) (廈門聚鏵企業管理諮詢合夥企業(有限合夥))	3,230,457	3.55%	3,230,457	3.19%	—	—
Hualong Electronics	3,039,684	3.34%	3,039,684	3.00%	—	—
Xiamen Fulv Century Jinyuan Equity Investment Partnership (Limited Partnership) (廈門福旅世紀金源股權投資合夥企業(有限合夥))	2,711,573	2.98%	2,711,573	2.68%	—	—

Name of Shareholders	Number of Domestic Shares as of the Latest Practicable Date and immediately prior to the Global Offering and the Conversion of Domestic Shares into H Shares	Approximate percentage of the Domestic Shares in the total issued share capital of our Company as of the Latest Practicable Date and immediately prior to the Global Offering and the Conversion of Domestic Shares into H Shares (%)	Number of converted H Shares	Approximate percentage of converted H Shares in the total issued share capital of our Company immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised) (%)	Number of remaining Domestic Shares immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised)	Approximate percentage of remaining Domestic Shares in the total issued share capital of our Company immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised) (%)
Yu Yunhui (余雲輝)	2,129,288	2.34%	2,129,288	2.11%	—	—
Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥))	2,095,760	2.30%	2,095,760	2.07%	—	—
Xiamen Tuojuxin Enterprise Management Consulting Partnership (Limited Partnership) (廈門拓聚鑫企業管理諮詢合夥企業(有限合夥))	1,010,329	1.11%	1,010,329	1.00%	—	—
Yiwu Datuo Equity Investment Partnership (Limited Partnership) (義烏大拓股權投資合夥企業(有限合夥))	717,879	0.79%	717,879	0.71%	—	—
Yu Li (余麗)	574,305	0.63%	574,305	0.57%	—	—
Fan Zijing (范子靖)	358,941	0.39%	358,941	0.35%	—	—
Xiamen Shan'erli Enterprise Management Partnership (Limited Partnership) (廈門善而利企業管理合夥企業(有限合夥))	241,599	0.27%	241,599	0.24%	—	—
Xiamen Tuojulian Enterprise Management Consulting Partnership (Limited Partnership) (廈門拓聚連企業管理諮詢合夥企業(有限合夥))	117,506	0.13%	117,506	0.12%	—	—
Total	**91,010,329**	**100.00%**	**88,153,289**	**87.17%**	**2,857,040**	**2.83%**

D. Resolutions Passed by Our Shareholders' General Meeting in relation to the Global Offering

At the extraordinary general meeting of our Shareholders held on April 11, 2025, the following resolutions, among others, were duly passed:

(1) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Stock Exchange;

(2) the proposed number of H Shares to be offered under the Global Offering and the grant of the Over-allotment Option. The number of H Shares to be issued pursuant to the exercise of the Over-allotment Option shall not exceed 15.00% of the total number of H Shares to be offered initially pursuant to the Global Offering;

(3) subject to the completion of the Global Offering, the conditional adoption of the revised Articles of Association, which shall become effective on the Listing Date; and

(4) authorization of our Board and its authorized persons to handle all matters relating to, among other things, the Global Offering.

E. Changes in Share Capital of our Subsidiaries

The list of our subsidiaries is set out in Note 1 to the Accountants' Report, the text of which is set out in Appendix I to this Prospectus.

All the alteration in the share capital of any of our subsidiaries within the two years preceding the date of this Prospectus is listed below:

(1) Dongshan Subo Information Technology Co., Ltd. (東山速泊信息科技有限公司)

On June 14, 2024, Dongshan Subo Information Technology Co., Ltd. was incorporated with a registered capital of RMB20.0 million.

On May 28, 2026, Dongshan Subo Information Technology Co., Ltd. increased its registered capital from RMB20.0 million to RMB30.0 million.

(2) Changchun Keytop Parking Management Co., Ltd. (長春科拓停車管理有限公司)

On January 3, 2025, Changchun Keytop Parking Management Co., Ltd. was incorporated with a registered capital of RMB1.0 million.

(3) Xiamen Keytop Parking Lot Management Co., Ltd. (廈門科拓停車場管理有限公司)

On July 18, 2024, Xiamen Keytop Parking Lot Management Co., Ltd. was incorporated with a registered capital of RMB1.0 million.

(4) Fuzhou Jucheng Shijie Digital Media Co., Ltd. (福州聚城視界數字傳媒有限公司)

On September 16, 2025, Fuzhou Jucheng Shijie Digital Media Co., Ltd. was incorporated with a registered capital of RMB1.0 million.

(5) Xiamen Keytop Software IT Services Co., Ltd. (廈門科拓軟件信息服務有限公司) (previously known as Xiamen Keytop Big Data Services Co., Ltd. (廈門科拓大數據服務有限公司))

On September 28, 2025, Xiamen Keytop Software IT Services Co., Ltd. was incorporated with a registered capital of RMB50.0 million.

(6) Xiamen Keytop Boyun Technology Co., Ltd. (廈門科拓泊雲技術有限公司)

On January 14, 2026, Xiamen Keytop Boyun Technology Co., Ltd. was incorporated with a registered capital of RMB0.1 million.

(7) Keytop Smart (Xiamen) Parking Management Co., Ltd. (科拓智慧(廈門)停車管理有限公司)

On January 28, 2026, Keytop Smart (Xiamen) Parking Management Co., Ltd. was incorporated with a registered capital of RMB0.1 million.

(8) Nanping Keytop Smart Parking Management Co., Ltd. (南平科拓智慧停車管理有限公司)

On February 3, 2026, Nanping Keytop Smart Parking Management Co., Ltd. was incorporated with a registered capital of RMB5.0 million.

(9) Nanping Suyou Smart Parking Services Co., Ltd. (南平速優智能停車服務有限公司)

On March 31, 2026, Nanping Suyou Smart Parking Services Co., Ltd. was incorporated with a registered capital of RMB5.0 million.

(10) Nanping Subo Parking Services Management Co., Ltd. (南平速泊停車場管理有限公司)

On March 31, 2026, Nanping Subo Parking Services Management Co., Ltd. was incorporated with a registered capital of RMB5.0 million.

(11) Nanping Jianyang Suyou Enterprise Management Co., Ltd. (南平建陽區速優企業管理有限公司)

On April 22, 2026, Nanping Jianyang Suyou Enterprise Management Co., Ltd. was incorporated with a registered capital of RMB0.1 million.

(12) Shubo Smart (Xiamen) Parking Services Co., Ltd. (舒泊智慧(廈門)停車場服務有限公司)

On April 24, 2026, Shubo Smart (Xiamen) Parking Services Co., Ltd. was incorporated with a registered capital of RMB0.1 million.

(13) Bohui (Xiamen) Parking Management Co., Ltd. (泊慧(廈門)停車管理有限公司)

On April 28, 2026, Bohui (Xiamen) Parking Management Co., Ltd. was incorporated with a registered capital of RMB0.1 million.

(14) Xiamen Shubo Smart Parking Services Co., Ltd. (廈門數泊智能停車服務有限公司)

On April 30, 2026, Xiamen Shubo Smart Parking Services Co., Ltd. was incorporated with a registered capital of RMB0.1 million.

(15) Danyang Keytop Smart Parking Management Co., Ltd. (丹陽科拓智慧停車管理有限公司)

On May 12, 2026, Danyang Keytop Smart Parking Management Co., Ltd. was incorporated with a registered capital of RMB2.0 million.

(16) Fujian Subo Parking Services Co., Ltd. (福建速泊停車服務有限公司)

On May 14, 2026, Fujian Subo Parking Services Co., Ltd. resolved to reduce its registered capital from RMB50.0 million to RMB10.0 million.

(17) Fujian Subo Information Technology Co., Ltd. (福建速泊信息科技有限公司)

On May 15, 2026, Fujian Subo Information Technology Co., Ltd. resolved to reduce its registered capital from RMB20.0 million to RMB10.0 million.

(18) Keytop West Communications Technology Co., Ltd. (科拓西部通訊技術有限公司)

On May 21, 2026, Keytop West Communications Technology Co., Ltd. resolved to reduce its registered capital from RMB50.0 million to RMB0.5 million.

(19) Dongshan Shubo Enterprise Management Co., Ltd. (東山舒泊企業管理有限公司)

On May 26, 2026, Dongshan Shubo Enterprise Management Co., Ltd. was incorporated with a registered capital of RMB0.1 million.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contract

We have entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that is or may be material:

(1) the Hong Kong Underwriting Agreement.

B. Our Intellectual Property Rights

As of the Latest Practicable Date, our Company had registered, or had applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Class	Owner	Place of Registration	Registration No.	Validity Period
1	KEYTOP	9	Xiamen Keytop Comm. & Tech. Co., Ltd.	Hong Kong	305253741	April 22, 2020 to April 21, 2030
2	科拓	6,9,35,37,39,42	Xiamen Keytop Comm. & Tech. Co., Ltd.	Hong Kong	306736807	November 26, 2024 to November 25, 2034
3	KEYTOP 科拓	9	Our Company	China	6088801	February 14, 2021 to February 13, 2031
4	科拓通讯	42	Our Company	China	8486132	April 14, 2024 to April 13, 2034
5	KEYTOP	9	Our Company	China	40939158	April 21, 2020 to April 20, 2030
6	KEYTOP	37	Our Company	China	40939097	April 21, 2020 to April 20, 2030

No.	Trademark	Class	Owner	Place of Registration	Registration No.	Validity Period
7	KEYTOP	38	Our Company	China	40950663	April 21, 2020 to April 20, 2030
8	KEYTOP	39	Our Company	China	40953528	April 21, 2020 to April 20, 2030
9	科拓	39	Our Company	China	40339547	March 28, 2020 to March 27, 2030
10	科拓	37	Our Company	China	40361235	March 28, 2020 to March 27, 2030
11	科拓速停车	37	Our Company	China	48376082	March 14, 2021 to March 13, 2031
12	科拓速停车	39	Our Company	China	48368334	March 14, 2021 to March 13, 2031
13	KEYTOP	39	Our Company	China	65292506	November 28, 2022 to November 27, 2032
14	KEYTOP	9	Our Company	China	65282133	April 7, 2023 to April 6, 2033
15	科拓	9	Our Company	China	65278399	March 14, 2021 to March 13, 2031
16	科拓	37	Our Company	China	65271978	March 14, 2021 to March 13, 2031
17	科拓	39	Our Company	China	65293852	November 28, 2022 to November 27, 2032

Patent

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business:

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
1	Our Company	A method and system for self-service parking payment and vehicle location based on mobile phone application	201510027455.7	Invention Patent	January 20, 2015	August 25, 2017
2	Our Company	A method and system for using parking lot vouchers	201510027106.5	Invention Patent	January 20, 2015	August 25, 2017
3	Our Company	A method, system and intelligent digital camera for license plate recognition based on video stream	201511016292.9	Invention Patent	December 29, 2015	April 7, 2020

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
4	Our Company	A method, device and electronic equipment for searching vehicle location	202111115860.6	Invention Patent	September 23, 2021	October 11, 2022
5	Our Company	Method, device and electronic equipment for the detection of vehicles's entry and exit	202111115168.3	Invention Patent	September 23, 2021	November 4, 2022
6	Our Company	Method, device and electronic equipment for identifying human-vehicle relationships	202110621827.4	Invention Patent	June 3, 2021	February 28, 2023
7	Our Company	Method, device, server and readable storage medium for pilot parking in parking lots	202111082037.X	Invention Patent	September 15, 2021	May 5, 2023
8	Our Company	Method, device, access control equipment and medium for access control targeting facial occlusion	202310014156.4	Invention Patent	January 5, 2023	May 14, 2024
9	Our Company	Method, device, system and computer readable storage medium for discounts on parking fee	202211334821.X	Invention Patent	October 28, 2022	December 24, 2024
10	Xiamen Keytop Software Research and Development Center Co., Ltd.	A parking lot remote oversight tunnel service system	202210373141.2	Invention Patent	April 11, 2022	December 8, 2023
11	Xiamen Keytop Software Research and Development Center Co., Ltd.	Vehicle departure method, device, electronic device and storage medium in the case of network disconnection	202211014676.7	Invention Patent	August 23, 2022	March 22, 2024
12	Our Company	An energy-saving parking indicator light	202123125780.7	Utility Model Patent	December 13, 2021	May 10, 2022
13	Our Company	A column type video detection terminal	202123039301.X	Utility Model Patent	December 3, 2021	May 13, 2022
14	Our Company	A parking indicator light	202123039426.2	Utility Model Patent	December 3, 2021	May 13, 2022
15	Our Company	Video parking space detection device and vehicle locating system	202222533171.3	Utility Model Patent	September 23, 2022	January 24, 2023

Domain Names

As of the Latest Practicable Date, we had registered the following domain names which we considered to be material to our business:

No.	Domain Name	Name of Registered Proprietor	Validity Period
1	keytop.com.cn	Our Company	July 19, 2006–July 19, 2027
2	keytop.cn.	Our Company	July 20, 2010–July 22, 2027
3	ktop.cc	Our Company	September 7, 2022–September 7, 2027
4	parkinglot.cn	Our Company	February 28, 2023–February 28, 2028

Software copyright

As of the Latest Practicable Date, we had registered the following software copyright which we considered to be material to our business:

No.	Software Name	Owner	Registration No.	Registration Date
1	Speed Parking Software *Speed Parking* V1.0 . .	Our Company	2020SR1723290	December 3, 2020
2	Keytop Merchant Assistant Software Keytop Merchant Assistant V2.0	Our Company	2020SR1706808	December 2, 2020
3	Unattended Oversight Management Platform Unattended Oversight Platform V2.1	Our Company	2020SR1723276	December 3, 2020
4	Urban Smart Parking Platform V1.0	Our Company	2020SR1718280	December 2, 2020
5	Parking Lot Cloud Assistant Software V1.0	Our Company	2020SR1823955	December 15, 2020
6	Keytop Parking Facility Group Management Platform Group Parking Management Platform V1.0	Our Company	2021SR0918532	June 18, 2021
7	Speed Parking Software *Speed Parking* V3.1 . .	Our Company	2022SR0265312	February 23, 2022
8	Access Control Management System V1.0	Our Company	2022SR0571504	May 10, 2022
9	YongCe PRO Digitalization Parking Management System *YongCe PRO* V1.0 . . .	Our Company	2023SR1337607	October 30, 2023

No.	Software Name	Owner	Registration No.	Registration Date
10	Bluetooth Vehicle Locating Software V3.0	Our Company	2024SR0962279	July 9, 2024
11	Keytop Gold Medal After-sales Software Gold Medal After-sales V1.0	Our Company	2024SR1651191	October 30, 2024
12	Self-service Payment Machine V5.0	Xiamen Keytop Software Research and Development Center Co., Ltd.	2024SR0797199	June 12, 2024
13	Vehicle Locating System V5.0	Xiamen Keytop Software Research and Development Center Co., Ltd.	2024SR0795990	June 12, 2024

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Contracts

Each of our Directors has entered into a service contract with our Company. Each service contract is for an initial term of three years. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

B. Remuneration of Directors

See "Directors and Senior Management" and Note 8 to the Accountants' Report in Appendix I to this prospectus for the remuneration or benefits in kind paid to our Directors for each of the three years ended December 31, 2025.

During the Track Record Period, no fees were paid by our Group to any of the Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office.

4. DISCLOSURE OF INTERESTS

A. Disclosure of Interests of Directors

Save as disclosed below, immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (assuming that the Over-allotment Option is not exercised), none of our Directors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the H Shares are listed on the Stock Exchange.

Name of Director	Our Company/ associated corporation	Capacity/ nature of interest	As of the Latest Practicable Date: Number of Domestic Shares	As of the Latest Practicable Date: Approximate percentage of shareholding in the total issued share capital of our Company	Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised): Number of Shares	Description of Shares[(1)]	Approximate percentage of shareholding in our Domestic Shares/ H Shares (as appropriate) [(1)]	Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Sun	Our Company	Beneficial owner	23,996,383	26.37%	23,996,383	H Shares	24.42	23.73
		Interest held jointly with another person[(2)]	21,787,340	23.94%	21,787,340	H Shares	22.17	21.55
		Interest in controlled corporation[(3)]	3,039,684	3.34%	3,039,684	H Shares	3.09	3.00
Mr. Huang	Our Company	Beneficial owner	21,787,340	23.94%	21,787,340	H Shares	22.17	21.55
		Interest held jointly with another person[(2)]	23,996,383	26.37%	23,996,383	H Shares	24.42	23.73
		Interest in controlled corporation[(3)]	3,039,684	3.34%	3,039,684	H Shares	3.09	3.00

(1) For the avoidance of doubt, both Domestic Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

(2) As of the Latest Practicable Date, Mr. Sun and Mr. Huang were acting in concert. Under the SFO, Mr. Sun was deemed to be interested in the entire interest held by Mr. Huang, and Mr. Huang was deemed to be interested in the entire interest held by Mr. Sun.

(3) As of the Latest Practicable Date, Hualong Electronics was owned by Mr. Huang and Mr. Sun as to 51% and 49%, respectively. Under the SFO, Mr. Huang and Mr. Sun were deemed to be interested in the entire Shares held by Hualong Electronics.

Up to the Latest Practicable Date, none of the Directors or their respective spouses and children under 18 years of age had been granted by our Company or had exercised any rights to subscribe for shares or debentures of our Company or any of its associated corporations.

B. Substantial Shareholders

Save as disclosed below and in the section headed "Substantial Shareholders" in this prospectus, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, would fall to be disclosed to our Company under the provisions of Divisions 2 an 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any member of our Group.

Interests in other members of our Group

Name of our subsidiary	Name of interested party	Capacity/ Nature of interest	Approximate percentage of shareholding
Xiamen Jucheng Shijie Digital Media Co., Ltd. (廈門聚城視界數字傳媒有限公司)	Xiamen Yi Media Advertising Co., Ltd. (廈門壹媒介廣告有限公司)	Beneficial Owner	29%
	Lianzhen (Xiamen) Media Technology Co., Ltd. (聯陣(廈門)傳媒科技有限公司)	Beneficial Owner	20%
Chongqing Keytop Shubo Technology Co., Ltd. (重慶科拓數泊科技有限公司)	Chongqing Zhiren Xinlian Technology Co., Ltd. (重慶智人馨聯科技有限公司)	Beneficial Owner	33%
Chongqing Bayu Shuzhi Urban Operation Service Co., Ltd. (重慶巴渝數智城市運營服務有限公司)	Chongqing Bazhou Cultural Tourism Industry Group Co., Ltd. (重慶巴洲文化旅遊產業集團有限公司)	Beneficial Owner	34%
Zunyi Keytop Parking Management Service Co., Ltd. (遵義科拓停車管理服務有限公司)	Guizhou Junyuelong Enterprise Management Consulting Co., Ltd. (貴州君悦隆企業管理諮詢有限公司)	Beneficial Owner	20%
Xiamen Youzhisu Parking Technology Co., Ltd. (廈門優之速停車科技有限公司).	Fujian Seven Box Technology Co., Ltd. (福建七個盒子科技有限公司)	Beneficial Owner	10%
Xiamen Keytop Boshi Media Co., Ltd. (廈門科拓泊視傳媒有限公司)	Zheng Wenjie (鄭文杰)	Beneficial Owner	25%
	Xie Qiming (謝旗明)	Beneficial Owner	10%
Jida United Precision Machinery (Xiamen) Co., Ltd. (吉大聯合精密機械(廈門)有限公司) . . .	Fujian Jida United Technology Co., Ltd. (福建吉大聯合科技有限公司)	Beneficial Owner	45%
Fuzhou Jucheng Shijie Digital Media Co., Ltd. (福州聚城視界數字傳媒有限公司)	Fuzhou Yuanhan Culture Media Co., Ltd. (福州源瀚文化傳媒有限公司)	Beneficial Owner	49%

C. Disclaimers

(1) None of our Directors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(2) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole; and

(3) so far as is known to our Directors, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group in each year during the Track Record Period.

5. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty under the PRC laws is likely to fall on our Company or its subsidiaries.

B. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any outstanding material litigation or arbitration which may have material and adverse effect on the Global Offering and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

C. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, our H Shares. The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will be paid by our Company an aggregate fee of US$1 million to act as sponsors in connection with the Listing.

D. Compliance Advisor

Our Company has appointed CMBC International Capital Limited as the compliance advisor upon the Listing in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

F. Promoters

See "History, Development and Corporate Structure — Incorporation and Our Early Developments" for details of our promoters.

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this prospectus, are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (Advising on Futures Contracts) and Type 6 (advising on Corporate Finance) regulated activities under the SFO
CMBC International Capital Limited	A corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
King & Wood	PRC legal advisors
AllBright Law Offices	Legal advisors as to PRC cybersecurity and data privacy protection laws
Hogan Lovells	International sanctions legal advisors
China Insights Industry Consultancy Limited	Independent industry consultant

H. Consents of Experts

Each of the experts named in "5. Other Information — G. Qualification of Experts" above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above had any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer is effected on the H Share register of members of our Company, including in circumstances where such transaction is effect on the Stock Exchange. For further information in relation to taxation, see "Regulatory Overview."

J. Material and Adverse Change

Our Directors confirm that there has been no material and adverse change in the financial or trading position of our Group since December 31, 2025.

K. Binding Effect

This prospectus shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

L. Related Party Transactions

Our Group entered into certain related party transactions within the two years immediately preceding the date of this prospectus as mentioned in Note 33 to the Accountants' Report in Appendix I to this prospectus.

M. Restriction on Share Repurchases

See Appendix III to this prospectus for details.

N. Miscellaneous

Save as disclosed in this prospectus:

(1) within the two years immediately preceding the date of this prospectus:

   (i) no share or loan capital of our Group has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

   (ii) no share or loan capital of our Group is under option or is agreed conditionally or unconditionally to be put under option;

   (iii) save as disclosed in the section headed "Underwriting," no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Group; and

   (iv) save as disclosed in the section headed "Underwriting," no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;

(2) there are no founder, management or deferred shares or any debentures in our Group;

(3) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(4) our Company has no outstanding convertible debt securities or debentures;

(5) there is no arrangement under which future dividends are waived or agreed to be waived;

(6) save as disclosed in the section headed "History, Development and Corporate Structure", none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(7) all necessary arrangements have been made to enable the H shares to be admitted into CCASS for clearing and settlement; and

(8) no company within our Group is presently listed on any stock exchange or traded on any trading system.

O. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(1) a copy of the material contract referred to in "2. Further Information about Our Business — A. Summary of Our Material Contract" in Appendix IV; and

(2) the written consents referred to in "5. Other information — H. Consents of Experts" in Appendix IV.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of our Company at **www.keytop.com.cn** and on the website of the Stock Exchange at **www.hkexnews.hk** up to and including the date which is 14 days from the date of this document:

(1) the Articles of Association;

(2) the Accountants' Report from KPMG, the text of which is set out in Appendix I;

(3) the audited consolidated financial statements of our Group for the three years ended December 31, 2025;

(4) the report from KPMG relating to the unaudited pro forma financial information, the text of which is set out in Appendix II;

(5) the material contract referred to in "2. Further Information about Our Business–A. Summary of Our Material Contract" in Appendix IV;

(6) the written consents referred to in "5. Other information — H. Consents of Experts" in Appendix IV;

(7) the contracts referred to in "3. Further Information about Our Directors–A. Particulars of Directors' Contracts" in Appendix IV;

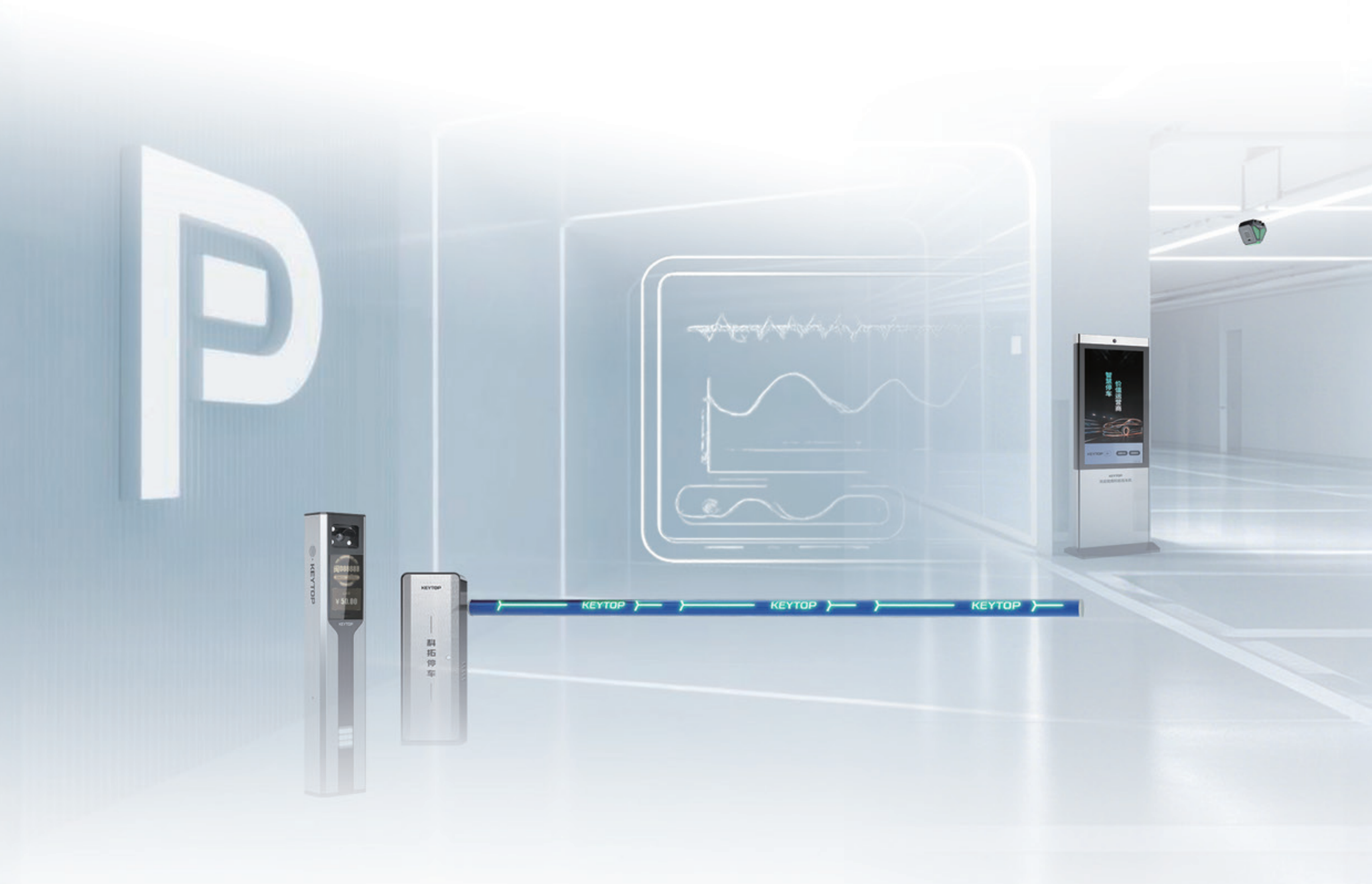
(8) the legal opinions issued by King & Wood, our PRC Legal Advisors, in respect of certain general corporate matters and our Group's business operations in the PRC;

(9) the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) together with their unofficial English translations;

(10) the legal memorandum issued by AllBright Law Offices in respect of PRC cybersecurity and data privacy protection laws;

(11) the legal memorandum issued by Hogan Lovells in respect of certain international sanctions matters; and

(12) the industry report issued by China Insights Industry Consultancy Limited.



KEYTOP

KEYTOP PARKING INC.

廈門科拓通訊技術股份有限公司