TRANSWARP
星環科技

星環信息科技（上海）股份有限公司

Transwarp Technology (Shanghai) Co., Ltd.

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

Stock Code : 6727

GLOBAL OFFERING

Sole Sponsor, Sole Sponsor-Overall Coordinator, Overall Coordinator,
Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

國泰海通 GUOTAI HAITONG | 海通國際 HAITONG

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

富途證券 FUTU Securities International

申萬宏源香港 SWHYHK

Joint Bookrunners and Joint Lead Managers

Webull

交銀國際 BOCOM International

華福國際 HUAFU INTERNATIONAL

CMBI 招銀国际

天風國際 TF INTERNATIONAL

浦銀國際 SPDBI

Joint Lead Manager

FIRST Securities

IMPORTANT

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

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Transwarp Technology (Shanghai) Co., Ltd.
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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**14,010,800 H Shares**
Number of Hong Kong Offer Shares	:	**700,600 H Shares (subject to reallocation)**
Number of International Offer Shares	:	**13,310,200 H Shares (subject to reallocation)**
Maximum Offer Price	:	**HK$61.00 per H Share, plus brokerage of 1.0%, 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 in Hong Kong Dollars and subject to refund)**
Nominal Value	:	**RMB1.00 per H Share**
Stock Code	:	**6727**

Sole Sponsor, Sole Sponsor-Overall Coordinator, Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

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Joint Lead Manager

FIRST Securities

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Appendix VII — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display," 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 other document referred to above.

The Offer Price is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the other Underwriters) and us on or before Thursday, September 17, 2026 (Hong Kong time). The Offer Price will be no more than HK$61.00 per Offer Share, and is expected to be not less than HK$49.00 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$61.00 per Offer Share, together with brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565%, subject to refund if the Offer Price is less than HK$61.00 per H Share. If, for any reason, the Offer Price is not agreed by 12:00 noon on Thursday, September 17, 2026 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the other Underwriters) and us, the Global Offering will not proceed and will lapse.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, with our consent, where considered appropriate, reduce the number of Offer Shares being offered under the Global Offering and/or the Offer Price at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Offer Shares being offered under the Global Offering and/or the Offer Price will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.transwarp.cn not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. See "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for further details.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" for further details.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors."

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be offered or sold within or to the United States, or to or for the account or benefit of any U.S. person (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in accordance with Regulation S.

Our Company is a Specialist Technology Company (as defined in Chapter 18C of the Listing Rules). The securities of Specialist Technology Companies carry high investment risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. Investors should fully understand the investment risks of a Specialist Technology Company and the risks disclosed by our Company before making their investment decisions.

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

September 11, 2026

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

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

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.transwarp.cn**. You may download and print from these website addresses if you want a printed copy of this prospectus.

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

(1) apply online via **HK eIPO White Form** service at **www.hkeipo.hk**; or

(2) 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 stated above.

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be for a minimum of 100 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 H 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, 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.

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$*
100	6,161.51	2,000	123,230.36	10,000	616,151.86	200,000	12,323,037.00
200	12,323.04	2,500	154,037.97	20,000	1,232,303.70	250,000	15,403,796.26
300	18,484.55	3,000	184,845.55	30,000	1,848,455.56	300,000	18,484,555.50
400	24,646.08	3,500	215,653.14	40,000	2,464,607.40	350,300(1)	21,583,799.30
500	30,807.59	4,000	246,460.75	50,000	3,080,759.26		
600	36,969.11	4,500	277,268.33	60,000	3,696,911.10		
700	43,130.62	5,000	308,075.93	70,000	4,313,062.96		
800	49,292.15	6,000	369,691.11	80,000	4,929,214.80		
900	55,453.66	7,000	431,306.30	90,000	5,545,366.66		
1,000	61,615.19	8,000	492,921.48	100,000	6,161,518.50		
1,500	92,422.78	9,000	554,536.66	150,000	9,242,277.76		

Notes:

(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.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

If there is any change in the following expected timetable of the Global Offering, we will issue an announcement on the website of our Company at ***www.transwarp.cn*** and the website of the Stock Exchange at ***www.hkexnews.hk***.

Hong Kong Public Offering commences . . . . .9:00 a.m. on Friday, September 11, 2026

Latest time for completing electronic applications via the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[2] . . . . .11:30 a.m. on Wednesday, September 16, 2026

Application lists of the Hong Kong Public Offering open[3] . . . . .11:45 a.m. on Wednesday, September 16, 2026

Latest time for (a) completing full payment of application monies via the **HK eIPO White Form** service; or (b) giving **electronic application instructions** to HKSCC[4] . . . . .12:00 noon on Wednesday, September 16, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to submit **HKSCC EIPO** applications on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists of the Hong Kong Public Offering close[3] . . . . .12:00 noon on Wednesday, September 16, 2026

Expected Price Determination Date[5] . . . . at or before 12:00 noon on Thursday, September 17, 2026

Announcement of:

- the final Offer Price;
- 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 the Hong Kong Offer Shares

to be published on the website of our Company at **www.transwarp.cn**[6] and the website of the Stock Exchange at **www.hkexnews.hk** . . . . .no later than 11:00 p.m. on Friday, September 18, 2026

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:

- from "Allotment Results" page in the designated results of allocations website at **www.hkeipo.hk/IPOResult** (alternatively: **www.tricor.com.hk/ipo/result**) with a "search by ID" function from[7] . . . . .11:00 p.m. on Friday, September 18, 2026 to 12:00 midnight on Thursday, September 24, 2026

- The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.transwarp.cn**[6] which will provide links to the above mentioned websites of the H Share Registrar . . . . no later than 11:00 p.m. on Friday, September 18, 2026

- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from . . . . Monday, September 21, 2026 to Thursday, September 24, 2026 (excluding Saturday, Sunday and public holidays in Hong Kong)

- For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from . . . . .6:00 p.m. on Thursday, September 17, 2026

H Share certificates in respect of wholly or partially successful applications applied through **HKSCC EIPO** channel pursuant to Hong Kong Public Offering to be deposited into CCASS[8][9] . . . . .on or before Friday, September 18, 2026

H Share certificates in respect of wholly or partially successful applications applied through the **HK eIPO White Form** service pursuant to Hong Kong Public Offering to be dispatched[8][9] . . . . .on or before Friday, September 18, 2026

HK eIPO White Form e-Auto Refund payment instructions/refund cheques in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application (if applicable), or wholly/partially unsuccessful applications to be dispatched[10] . . . . .on or before Monday, September 21, 2026

Dealings in the H Shares on the Stock Exchange expected to commence at[9] . . . . .9:00 a.m. on Monday, September 21, 2026

Notes:

(1) Unless otherwise stated, 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 application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions (collectively, "**Bad Weather Signal**") in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, September 16, 2026, the application lists will not open or close on that day. For further details, see "How to Apply for Hong Kong Offer Shares — E. Bad Weather Arrangements."

(4) Applicants who apply for the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via HKSCC's FINI system should refer to "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels" in this prospectus.

(5) The Price Determination Date is expected to be on or about Thursday, September 17, 2026. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the other Underwriters) and us by 12:00 noon on Thursday, September 17, 2026, the Global Offering will not proceed and will lapse.

(6) Neither of the websites nor any of the information contained on the websites forms part of this prospectus.

(7) 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**.

(8) H Share certificates will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade the 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.

(9) If a Bad Weather Signal in force is hoisted on Friday, September 18, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the HKSCC Depository's service counter so that they would be available for trading on Monday, September 21, 2026.

(10) Refund mechanism for surplus application monies paid by application via **HKSCC EIPO** channel is subject to the arrangement between applicants and their broker or custodian.

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 application monies through single bank accounts may have refund monies (if any) dispatched to the designated 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 cheques in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

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

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, see "Structure of the Global Offering" and "How to Apply for 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, our Company will make an announcement as soon as practicable thereafter.

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by us 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 by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, 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 Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit 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 Hong Kong 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 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. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. 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 contained nor made in this prospectus must not be relied on by you as having been authorized by us, any of the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers, any of the Underwriters and the Capital Market Intermediaries, any of our or their respective directors, officers, employees, agents, or representatives or any other persons involved in the Global Offering.

Page

CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. Since it is 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 our H Shares. In particular, we are a Commercial Company seeking to list on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. In addition, we have incurred net losses since our inception, and we may incur net losses for the foreseeable future. We had negative net cash flow from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your investment decision should be made in light of these considerations.

There are risks associated with any investment. Some of the particular risks in investing in our H Shares are set out in the section headed "Risk Factors." You should read that section carefully before you decide to invest in our H Shares.

OVERVIEW

Who Are We?

We are a leading AI infrastructure software provider in China. We generate revenue primarily by selling AI and big data infrastructure software products and related services to enterprise and government customers. Through deep integration of AI, big data, and cloud technologies, we enable enterprises to efficiently build AI infrastructure software that drives intelligent transformation and business model innovation across industries. In today's environment, marked by exponential data growth, mounting risks of technological bottlenecks, and urgent demand for enterprise-level digital and intelligent upgrades, building secure, high-performance, domestically developed AI and data infrastructure software has become a strategic imperative at the national, industrial, and enterprise levels. Our Company was founded to meet this demand and to establish a secure, self-reliant data infrastructure supporting technological innovation. According to Frost & Sullivan:

- In terms of revenue, we were the fifth largest AI infrastructure software provider in China with a market share of 2.7% in 2025.
- We were the world's first database company to pass TPC-DS testing and official audit, demonstrating that our distributed architecture-based foundational software has reached an industry-leading level in large-scale data computation and analytics.
- We were the first Chinese company to be included in Gartner's Magic Quadrant for Data Warehouse and Data Management Solutions, indicating that our forerunning position is recognized by internationally reputable organizations.

We are one of the earliest companies in China to focus on the development of AI and big data infrastructure software, and we have established significant first-mover advantages and deep technical capabilities. We provide enterprise-grade AI infrastructure software and services that cover the full data lifecycle, from integration, storage, and governance to modeling, analytics, mining, and circulation. Through years of in-house R&D, we have built a new-generation AI infrastructure software matrix comprising our big data and cloud foundation platforms (TDH and TDC), distributed databases (ArgoDB and KunDB), data development and governance tools (TDS), AI platforms for LLM and machine learning operations (LLMOps and MLOps), and a knowledge platform (TKH). Together, these products deliver end-to-end solutions from data to knowledge and from model to application, helping enterprises across industries accelerate intelligent transformation and rebuild their competitive advantages.

As of March 31, 2026, our products and solutions had been deployed across more than ten industries, including finance, government, energy, healthcare, transportation, and manufacturing, serving over 1,800 customers, including 105 companies listed in the Fortune China 500. From 2023 to the first quarter of 2026, revenue from repeat purchases by existing customers accounted for an average of over 70% of our total revenue, reflecting the loyalty and stickiness of our customer base.

Leveraging the vast growth potential of global AI infrastructure software market, we intend to actively expand our presence in overseas markets. Our software products are mostly standardized and can be deployed across a wide range of industries and geographies, enabling us to address diverse customer needs globally. We have established subsidiaries in Hong Kong, Singapore and Canada to serve as strategic hubs for our international operations. Benefiting from our technological advantages and growing brand recognition, we have successfully sold products, such as TDH, TKH and Sophon, to customers in Singapore and the Middle East, and are currently conducting testing for multiple other products that are ready to be implemented in various jurisdictions. We believe these initiatives will enable us to capture new market opportunities, diversify our revenue sources and enhance our competitiveness in the global AI infrastructure software market.

COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (i) a market leader in China's AI infrastructure software sector; (ii) robust in-house R&D and technical leadership driving domestic substitution; (iii) comprehensive product portfolio and full-lifecycle service capabilities enabling end-to-end AI and data transformation; (iv) diverse, loyal customer base with broad industry penetration and strong replicability; (v) vibrant ecosystem enabling scalable growth and long-term sustainability; and (vi) visionary and deeply experienced management team. See "Business — Competitive Strengths."

DEVELOPMENT STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies: (i) drive full-stack technology upgrades through "AI × data" to strengthen our leadership in AI infrastructure software market; (ii) expand and enrich product and solution offerings to drive market share growth; (iii) expand customer base, deepen strategic partnerships, and strengthen market presence; (iv) expand global footprint and increase international market penetration; and (v) pursue selective strategic investments and acquisitions to strengthen market position. See "Business — Development Strategies."

OUR BUSINESS LINES AND BUSINESS MODEL

We operate a product-centric business model centered on the commercialization of our proprietary, self-developed software platforms. Our business is structured into three primary business lines: (i) AI and big data infrastructure software and related technical services, (ii) consulting services, and (iii) other business.

AI and Big Data Infrastructure Software and Related Technical Services

Our AI and big data infrastructure software and related technical services comprise three sub-segments: infrastructure software, infrastructure software and related technical services, and technical services, all of which are built on our proprietary technology stack and serve as the foundation of our customers' data and AI platforms.

- ***Products and Services:*** Our infrastructure software consists of proprietary software products that support enterprise-grade data storage, management, analytics and AI workloads. These products are primarily standardized and require only limited customization, which generally involves user-interface adjustments or integration with a customer's existing database environment, such as connecting to legacy database versions that require tailored configuration. Our infrastructure software and related technical services sub-segment involves customers purchasing our proprietary software together with related technical services. The technical services provided under this sub-segment are the same as those provided under the "technical services" sub-segment described below. Our technical services consist of: (i) maintenance services, which include software upgrades, bug fixes, remote technical support and other ongoing maintenance; and (ii) other technical services, which include deployment, configuration, integration, advanced consulting and troubleshooting. All technical services are tied to our proprietary software products.

- ***Deployment Period:*** The deployment period varies depending on project complexity and customer requirements. Standardized software deployments typically require about one week, while integrated projects involving both software and technical services may require several weeks to several months.

- ***Charging Model:*** We generate revenue through (i) a one-time perpetual license for infrastructure software; (ii) a combination of software license fees and service fees for infrastructure software and related technical services; and (iii) service fees for technical services, which consist of recurring fees for maintenance services and project-based fees for other technical services.

Consulting Services

- ***Services:*** Our consulting services comprise pre-project consulting and customized solution design services that assist enterprise and government customers in planning and architecting digital transformation and AI adoption initiatives. These engagements focus on the planning and design of data platforms, business intelligence frameworks and related technical blueprints, and do not involve the delivery of our proprietary software products. Consulting services play an important role in initiating customer relationships and driving subsequent software demand. During the Track Record Period, approximately 60% of our consulting services customers later procured our software products, and around 20% of customers in our AI and big data infrastructure software and related technical services were converted from prior consulting service engagements.

- ***Deployment Period:*** Consulting services generally require a deployment period of three to six months, depending on the project's complexity, scope and the level of customization involved. For certain large-scale or highly complex engagements, the deployment period may extend up to one year.

- ***Charging Model:*** Consulting services are provided on a project-based charging model. Fees are determined by the scope of consulting and design work, the technical complexity of the engagement and the professional resources assigned to the project. See "Business — Our Business Lines and Business Model."

The following table sets forth revenue breakdown by our business lines during the Track Record Period.

	Year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*Amount*	*% of Total*	*Amount*	*% of Total*
							(unaudited)			
AI and big data infrastructure software and related technical services	390,041	79.5	284,180	76.7	362,022	81.0	39,411	61.4	62,118	76.5
Consulting services	79,091	16.1	72,759	19.6	69,559	15.6	22,109	34.4	13,759	16.9
Other business(1)	21,401	4.4	13,816	3.7	15,488	3.4	2,685	4.2	5,365	6.6
Total	490,533	100.0	370,755	100.0	447,069	100.0	64,205	100.0	81,242	100.0

Note:

(1) Our other business primarily consists of the ancillary optimization and sale of third-party hardware and software products in connection with the delivery of our core AI and big data infrastructure solutions.

OUR PRODUCTS AND SERVICES

AI and Big Data Infrastructure Software

To serve diverse digital transformation needs across industries, we offer a suite of proprietary AI and big data infrastructure software products. Based on their core performance characteristics and primary functions, our infrastructure software products can be broadly grouped into the following three categories:

- **Big Data and Cloud Infrastructure Platform Software.** This category provides the foundational layer for enterprise-scale data storage, processing and computing resource orchestration across different IT environments. Products in this category are designed to support large-scale data integration, unified management of computing resources and cloud-based deployment. This category includes Transwarp Data Hub (TDH) and Transwarp Data Cloud (TDC), which together enable enterprises to manage massive volumes of data and computing resources in a centralized, scalable and efficient manner.

- **Distributed Database Software.** This category focuses on enterprise-grade data storage and processing for both analytical and transactional workloads. Products in this category are designed to support high-performance data access, reliability and scalability in mission-critical business systems. This category includes Transwarp ArgoDB (ArgoDB) and Transwarp KunDB (KunDB), which address different enterprise use cases ranging from large-scale analytical processing to high-concurrency, low-latency transactional applications.

- **Data Development and AI Analytics Tools.** This category provides platforms and tools that enable enterprises to develop, manage and analyze data assets and AI applications on top of their data infrastructure. Products in this category support data development, governance, intelligent analytics, model operations and knowledge-based applications. This category includes Transwarp Data Studio (TDS), Sophon and Transwarp Knowledge Hub (TKH), which help enterprises transform data into actionable insights and intelligent applications.

Our AI and big data infrastructure software forms the core technology foundation that enables our customers' digitalization and intelligent transformation. At the base of the overall technology stack is the AI infrastructure hardware layer, which provides the essential computing power through GPUs, CPUs, high-speed networking and storage equipment. Built on top of this hardware layer, our AI infrastructure software orchestrates and manages underlying computing resources to enable elastic allocation of computing capacity; unifies the collection, storage, management and development of data from diverse sources and formats, transforming raw data into structured, semi-structured data for use across business scenarios; and provides model-development tools that reduce the complexity of deploying AI models and building AI applications. On the top layer, customers and ISVs develop domain-specific applications and solutions, such as predictive maintenance, intelligent risk control, digital operations and smart manufacturing, by leveraging the stable, scalable and AI-ready capabilities offered by our infrastructure software. We only provide the foundational software tools that support such development and do not participate in, or have visibility into, how customers' developers design or implement their specific applications, functionalities or business workflows. Together, this three-layer structure positions our product family as a foundational platform supporting the full lifecycle of data- and AI-driven innovation.

During the Track Record Period, TDH, ArgoDB and TDS accounted for the majority of our infrastructure software revenue, and therefore represent the core products driving our AI and big data infrastructure software business.

Technical Services

We provide technical services that are directly tied to, and support the effective use of, our proprietary AI and big data infrastructure software. These services fall into two main categories. First, we offer maintenance services, which include software upgrades, bug fixes and remote technical support, and are typically provided on a recurring basis following software deployment. Second, we provide other technical services on a project basis, such as deployment, configuration, system integration, advanced consulting and troubleshooting, to support customers during implementation and optimization stages.

All technical services are delivered in connection with our proprietary software products, and are designed to ensure stable operation, performance optimization and compliance with customers' operational and security requirements. Depending on customer needs and internal IT capabilities, these services may be provided together with software licenses or on a standalone basis following initial deployment. Through these services, we support customers across the software lifecycle, from initial implementation to ongoing operation and maintenance, particularly for enterprise and government customers operating mission-critical systems.

Consulting Services

Our consulting services primarily comprise consulting and customized solution design services that assist enterprise and government customers in planning and architecting their digital transformation and AI adoption initiatives. These services are typically provided at the pre-project or early implementation stage and focus on the design of data platform architectures and business intelligence frameworks, drawing on our domain expertise and understanding of industry-specific requirements. Consulting services do not involve the delivery of standalone software products; instead, they are designed to help customers define technical roadmaps, system architectures and implementation approaches for data and AI initiatives.

Our consulting services also serve as an important channel for driving demand for our proprietary AI and big data infrastructure software, including TDH, TDC, ArgoDB, KunDB, TDS, Sophon and TKH. Through consulting service engagements, we work closely with customers to identify suitable application scenarios and infrastructure requirements, which often leads to subsequent software adoption. During the Track Record Period, a significant portion of our consulting services customers subsequently purchased our infrastructure software products and became customers under our AI and big data infrastructure software and related technical services, while a meaningful number of our infrastructure software customers were initially acquired through consulting services. As such, the consulting services play a complementary and strategic role in expanding our customer base and supporting long-term software commercialization. See "Business — Our Products and Services."

OUR CORE TECHNOLOGIES

Our core technologies comprise seven foundational areas: (i) container-based data cloud technology, (ii) distributed computing technology, (iii) unified multi-model data processing technology, (iv) distributed database technology, (v) AI and machine learning operation technology, (vi) knowledge engineering and knowledge graph technology, (vii) big data development technology, which together form the technical foundation of our platform. These technologies are structured into a two-layer architecture.

- At the IaaS layer, we leverage container-based data cloud technology to enable flexible and efficient resource scheduling and orchestration.

- The PaaS layer incorporates a broad set of platform-level capabilities, including distributed computing technology, unified multi-model data processing technology, distributed database technology, and AI and machine learning operation technology, providing scalable infrastructure for data integration, processing, and AI model lifecycle management. The PaaS layer also includes our knowledge engineering and knowledge graph technology — which together enable semantic modeling and intelligent reasoning — and big data development technology, which supports rapid development, deployment, and iteration of data-driven applications.

This layered architecture ensures architectural consistency across our products and allows us to deliver a high degree of flexibility, scalability, and intelligence in supporting enterprise digital transformation and AI adoption. See "Business — Our Core Technologies."

COMPETITIVE LANDSCAPE

We face competition in China's AI infrastructure software market. The principal competitive factors in our industry include functionality, scope and performance of products and solutions, scalability and reliability of services, technology capabilities, marketing and sales capabilities, user experience, pricing, brand recognition and reputation. In addition, new and enhanced technology may further increase competition in our industry. We believe that we are well positioned to compete effectively on the basis of the foregoing factors as we have formulated clear and actionable business strategies with the goal of achieving comprehensive technology upgrades, product expansion, and global deployment, thus driving our revenue growth and progressively narrowing our net loss. For details, see "Business — Development Strategies" and "Business — Path to Profitability." For more information on the competitive landscape of our industry, see "Industry Overview."

RESEARCH AND DEVELOPMENT

As of March 31, 2026, we had over 870 employees, of whom over one third were engaged in R&D roles. Among our R&D personnel, nearly 60% held doctoral or master's degrees.

We are among the earlier companies in China to focus on the research and development of AI infrastructure software, an emerging field that underpins the growth of the broader AI ecosystem. Our self-developed AI and big data infrastructure platform and distributed analytical database have been leading the industry. In March 2018, TDH V5.1, our AI and big data infrastructure platform product, successfully passed the TPC-DS benchmark test conducted by the internationally renowned TPC, becoming the first audited data product globally to fully pass this benchmark test. In August 2019, ArgoDB V1.2.1 also passed the TPC-DS benchmark test, making it the fourth database product worldwide to achieve this certification. Further demonstrating its technological prowess, in August 2022, Sophon Discover V3.0.0, our AI and big data platform, became the first product to pass the TPCx-AI benchmark test at SF3,000, the largest scale tested by TPCx-AI at that time. Our AI and big data infrastructure platform, TDH V9.1, passed the TPCx-BB SF3,000 benchmark test, achieving the highest performance globally in December 2023 and retained the second highest performance position in 2024.

INTELLECTUAL PROPERTY

During the Track Record Period, our core technologies were patented. Such patents are typically valid for 20 years. As of the Latest Practicable Date, we had over 180 granted patents, over 100 pending patent applications and over 470 registered copyrights in the PRC. As of the Latest Practicable Date, we also had over ten granted patents overseas spanning Europe, Singapore, Japan and Canada, as well as approximately 640 trademarks registered in the PRC, Hong Kong, Japan, Singapore, the United States, Canada, the European Union, the United Kingdom, Saudi Arabia, among others. As of the same date, we had entered into 12 co-ownership or co-sharing arrangements with third-party customers and a renowned university in the PRC, pursuant to which we co-developed and co-owned five patents with the third parties. See "Business — Intellectual Property."

OUR SUPPLIERS AND CUSTOMERS

Our suppliers primarily consist of (i) service providers, such as delivery service providers, (ii) software providers, which provide third-party software primarily including business intelligence tools and other client-side software in order to meet our customers' specific needs for the delivery of their overall system, and (iii) others, such as providers of servers and cloud services and providers of other professional services. Our top five suppliers in each year or period during the Track Record Period in aggregate accounted for 43.2%, 39.1%, 37.5% and 44.5% of our total purchases in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Our largest supplier in each year or period during the Track Record Period accounted for approximately 23.3%, 14.6%, 9.9% and 15.7% of our total purchases in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. See "Business — Suppliers and Procurement."

We have two main categories of customers: (i) direct customers, including (a) end users purchasing our products and solutions directly and (b) ISVs and SIs that embed our products and solutions into their offering to cater for end users' specific needs, and (ii) our authorized distributors who enter into distribution agreements with us. Certain end users of our products and solutions, especially those government end customers, use ISVs and SIs when selecting suppliers or service providers. Such end users typically lay out the goals they plan to achieve and the budget for their projects and engage ISVs and SIs, instead of engaging us directly. These ISVs and SIs typically embed our products and solutions into their offering to cater for end users' specific needs, and provide various other services to end users, such as implementation services. In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from direct customers accounted for 94.0%, 93.7%, 97.5% and 93.0% of our total revenue, respectively. Additionally, we typically enter into one-year distribution agreement with third-party professional distributors. After purchasing the products from us, our distributor may at their discretion perform onward sales to their respective downstream customers. In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from such distributor customers accounted for 6.0%, 6.3%, 2.5% and 7.0% of our total revenue, respectively. Our top five customers in each year or period during the Track Record Period in aggregate accounted for 16.4%, 14.4%, 22.2% and 34.8% of our total revenues in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Our largest customer in each year or period during the Track Record Period accounted for approximately 4.7%, 3.2%, 5.8% and 12.4% of our total revenue for the respective year or period. See "Business — Customers and Customer Support."

RISK FACTORS

Our business and the Global Offering involve certain risks as set out in "Risk Factors." You should read that section in its entirety carefully before you decide to invest in our H Shares. Some of the major risks we face include the following: (i) AI technologies are constantly evolving. Any flaws or inappropriate usage of AI technologies, whether actual or perceived, whether intended or inadvertent, whether committed by us or by other third parties, could have negative impact on our business, reputation and the general acceptance of AI products, services and solutions by the society; (ii) the industries in which we operate are characterized by constant changes. If we fail to continuously innovate our technology and provide useful products, services and solutions that meet the expectations of our users, our business, financial condition and results of operations may be materially and adversely affected; (iii) changes in the market of our products, services and solutions may affect our pricing models and adversely affect our operating results; (iv) we face competition from existing or new market players in the industries in which we operate, and we may not compete effectively; and (v) if the market for our products, services and solutions fails to grow as we expect, or if our users or potential users fail to adopt our products, services and solutions, our business, operating results, and financial condition could be adversely affected. See "Risk Factors."

IMPACT OF U.S. TARIFFS, EXPORT CONTROLS AND SANCTIONS

Our Sanctions Counsels are of the view that, based on the information provided by our Company, because our Company did not directly (i.e. our Company acting as the exporter to export products to the U.S.) or indirectly (i.e. our Company not acting as the exporter but exporting products to the U.S. through a third party) export our products to the U.S., or engaged in any sales to customers whose products were subsequently exported to the U.S., the impact of U.S. tariffs on our business is limited. It should further be noted that U.S. tariff policy remains subject to change. Most recently, with effect from 24 July 2026, the U.S. imposed additional tariffs of 10% to 12.5% on imports from 60 trading partners under Section 301 of the U.S. Trade Act of 1974. As these are import duties applicable to goods entering the U.S., they only affect parties exporting goods to the U.S. As the Company currently has no U.S. export business and does not have any plan to expand into the U.S. market, it is not affected by these or other existing U.S. tariff measures. Should the Company's business plans change in the future, it will assess and address the impact of relevant U.S. tariff measures as appropriate.

As for the impact of U.S. export controls on our Company's procurement activities, based on the information provided by our Company and to the best of our knowledge, our Sanctions Counsels are of the view that most U.S.-origin items purchased by our Company are classified under ECCNs 5A992.c, 5D992 or EAR99, which do not require a license when exported to China based on its due diligence on public available information and analysis under the U.S. Export Administration Regulations ("EAR") because (i) those items are non-sensitive, (ii) China is not an embargo country as defined by the EAR nor subject to comprehensive controls, and (iii) the Company is not a sanctioned entity, and the end use of such U.S.-origin items is not restricted. With regard to U.S.-origin items for which the ECCN cannot be determined or that fall outside the scope of our Company's knowledge, no supplier has informed our Company of any license requirement applicable to the purchased items. Our Company is not designated on any U.S. export controls restricted party lists, including the Entity List and Military End User List. Additionally, our Company's suppliers have never informed us of any license requirements applicable to the purchased items. According to our Sanctions Counsels' analysis, it is generally the exporter or transferor's obligation under the EAR to inform the purchaser of any applicable license requirements for the items being purchased, therefore, it is legitimate and reasonable for the purchaser to rely on the exporter/transferor regarding the applicable license requirements and the purchaser will not be held liable for its good faith reliance.

Based on the foregoing, and after taking into account, among other things, (i) the advice of the Company's Sanctions Counsels on the applicability and compliance of the EAR to the Company's procurement activities; and (ii) the fact that the Company has not been subject to any investigation, penalty or other enforcement action by any U.S. authority (including the U.S. Department of Commerce's Bureau of Industry and Security and OFAC) in respect of violations of applicable export control laws during the Track Record Period and up to the Latest Practicable Date, our Directors and the Sponsor are of the view that the Company's transactions with its suppliers have complied in all material respects with applicable U.S. export control and trade laws and regulations. During the Track Record Period, our purchases of U.S.-origin products were relatively limited, amounted to RMB3.0 million, RMB0.1 million, RMB0.05 million and RMB0.2 million, representing only 1.2%, 0.1%, 0.05% and 0.5% of our total purchases in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Further, our Directors confirm that the U.S.-origin items used in the Company's operations are generally available from alternative suppliers located outside the United States at comparable prices and on comparable terms, and are of comparable quality. The Company has, from time to time, sourced functionally equivalent items from such alternative suppliers, including Chinese suppliers, without material disruption to its business operations or product quality. Accordingly, our Directors are of the view that the Company's exposure to supply chain disruption arising from potential future export control measures targeting U.S.-origin items is limited.

As a matter of consistent practice, the Company prioritizes suppliers located outside the United States, including local suppliers, when selecting suppliers for items that are functionally equivalent and available at comparable prices and on comparable terms. Going forward, the Company intends to continue and reinforce this practice of prioritizing non-U.S.-origin and local suppliers where commercially reasonable and functionally appropriate, which is expected to further reduce the Company's reliance on U.S.-origin items over time. The Company will also continue to monitor developments in export control measures targeting U.S.-origin items and adjust its sourcing arrangements as needed. Based on these facts and due diligence and analysis, our Sanctions Counsels conclude that the risk associated with our Company's purchase of U.S. origin items is relatively low.

Our Sanction Counsel confirms that the Company's products incorporating U.S.-origin content are not subject to the EAR under either the De Minimis Rule or the Foreign Direct Product Rule, on the following basis: (1) The U.S.-origin content incorporated into the Company's products is classified as 5A992.c, 5D992 or EAR99, which do not require a license when exported to China. Under the De Minimis Rule, only U.S.-origin content that itself requires a license for export to the relevant destination is counted as "controlled content" for de minimis purposes. As the Company's U.S.-origin content does not require a license for export to China, none of it constitutes "controlled content" for de minimis purposes, and the percentage of U.S. "controlled content" in the Company's products is therefore 0%; (2) The Company has confirmed that its products are neither (i) a direct product of technology or software subject to the EAR and classified under the relevant ECCNs, nor (ii) produced by a plant, or a major component of a plant, that is itself such a direct product. Accordingly, no Foreign Direct Product Rule is triggered.

Regarding risks associated with our Company's business partners (including suppliers and customers), our Sanctions Counsels have conducted a screening and review of all suppliers and customers that each account for more than 0.1% of our Company's overall transaction value during the Track Record Period, It is relatively unlikely that our Company had violated the EAR in its dealings with these restricted customers.

Twelve of our Company's customers are listed on the 1260H list, which is a list of "Chinese Military Companies" designated under the Section 1260H of the National Defense Authorization Act ("**NDAA**") for Fiscal Year 2021, effective in 2021 and updated annually, and Non-SDN Chinese Military-Industrial Complex Companies Lists ("**NS-CMIC Lists**"), effective in June 2021. Our Company's sales to these customers during the Track Record Period were very limited, amounted to RMB11.0 million, RMB11.9 million, RMB4.2 million and RMB4.0 million, representing 2.3%, 3.2%, 0.9% and 4.9% of our total revenue in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. The 1260H list restrict the U.S. Department of Defense from procuring from designated entities, and the NS-CMIC Lists prohibit U.S. persons from purchasing or selling publicly traded securities that are issued by NS-CMIC entities. Neither of these lists restricts Chinese companies from providing products and services to the designated persons. Therefore, based on the due diligence and analysis, our Sanctions Counsels are of the view, and our Directors and the Sole Sponsor concur, that our Company's dealings with entities listed on the 1260H list and NS-CMIC Lists do not violate U.S. sanctions law and do not expose our Company to any sanction risks, either primary or secondary.

Based on the analysis by our Sanctions Counsels mentioned above, our Directors are of the view, and the Sole Sponsor concurs, that we do not expect that the U.S. tariffs, export controls or sanctions measures will have a material adverse impact on our Company's business operations or financial performance.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance. As of the Latest Practicable Date, we are in compliance with all applicable laws and regulations on algorithm and artificial intelligence-related in all material respects. See "Business — Legal Proceedings and Compliance."

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, our Single Largest Group of Shareholders, comprising Mr. SUN Yuanhao, Shanghai Zanxing, Mr. FAN Lei, Mr. LV Cheng and Mr. SHE Hui, acting in concert, collectively controlled approximately 22.42% of the total issued share capital of our Company. On January 25, 2019, Mr. SUN Yuanhao entered into an acting-in-concert agreement with Mr. LV Cheng, Mr. FAN Lei, Mr. SHE Hui and Shanghai Zanxing in order to consolidate the voting power at Board/Shareholders' meetings of our Company. See "History, Development and Corporate Structure — Concert Party Arrangement" and "Relationship with our Single Largest Group of Shareholders" for details.

Immediately following the completion of the Global Offering (assuming no additional Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date), our Single Largest Group of Shareholders will control in aggregate approximately 20.10% of the total issued share capital of our Company.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

We recorded net losses and net cash outflows from operating activities throughout the Track Record Period. The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from, and should be read in conjunction with our audited financial statements set forth in the Accountants' Report in Appendix I, as well as the information set forth in "Financial Information." Our financial information was prepared in accordance with IFRS.

Summary of Consolidated Statements of Profit and Loss

The following table sets forth a summary of our consolidated statements of profit and loss for the years/periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
			(RMB'000)		
				(Unaudited)	
Revenue	490,533	370,755	447,069	64,205	81,242
Cost of sales	(233,799)	(192,026)	(211,059)	(40,752)	(47,607)
Gross profit	256,734	178,729	236,010	23,453	33,635
Loss before tax	(289,168)	(344,281)	(245,156)	(83,723)	(55,999)
Income tax expense	–	–	(14)	–	–
Loss for the year/period	**(289,168)**	**(344,281)**	**(245,170)**	**(83,723)**	**(55,999)**
Loss attributable to:					
Owners of the Company	(288,243)	(343,462)	(245,170)	(83,578)	(55,999)
Non-controlling interests	(925)	(819)	–	(145)	–
	(289,168)	(344,281)	(245,170)	(83,723)	(55,999)

Our loss for the year increased from RMB289.2 million in 2023 to RMB344.3 million in 2024, primarily attributable to (i) a decrease in our revenue of RMB119.8 million primarily due to macroeconomic conditions in China, including slower economic growth and tightened fiscal budgets across many local governments in 2024, which was particularly concentrated in the government, transportation, and healthcare sectors; (ii) a decrease in other gains and losses of RMB11.5 million due to a decrease in gains on changes in fair value of financial assets at FVTPL; and (iii) a decrease of RMB6.1 million in other income due to the decrease of government subsidies; partially offset by a decrease in selling expenses and administrative expenses of RMB41.2 million, reflecting the optimized operational structure that enhances organizational efficiency and lowers operational costs.

Our loss for the year decreased from RMB344.3 million in 2024 to RMB245.2 million in 2025, primarily attributable to (i) an increase in our revenue of RMB76.3 million primarily driven by the increased market demand for AI infrastructure; and (ii) a decrease in selling expenses and R&D expenses of RMB67.4 million primarily driven by our continued efforts in optimizing personnel structure; partially offset by an increase of RMB30.5 million in impairment losses under expected credit loss driven by the overall aging of trade receivables and specific provisions made for certain long-aged balances.

Our loss for the period decreased from RMB83.7 million for the three months ended March 31, 2025 to RMB56.0 million for the three months ended March 31, 2026, primarily attributable to (i) an increase in our revenue of RMB17.0 million primarily driven by the increased market demand for AI infrastructure; and (ii) a decrease in selling expenses and administrative expenses of RMB15.8 million primarily driven by our continued efforts in optimizing personnel structure; partially offset by an increase of RMB6.9 million in cost of sales primarily due to increased procurement driven by our business expansion, coupled with increased amortization of our newly utilized intangible assets.

Revenue by Business Line

The following table sets forth a breakdown of our revenue by business lines for the years or periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						*(Unaudited)*			
AI and big data infrastructure software and related technical services										
Infrastructure software	132,424	27.0	57,864	15.6	54,009	12.1	6,345	9.9	7,359	9.1
Comprehensive software and services	184,266	37.5	145,222	39.2	211,548	47.3	20,250	31.5	38,319	47.2
Technical services	73,351	15.0	81,094	21.9	96,465	21.6	12,816	20.0	16,440	20.2
Sub-total	390,041	79.5	284,180	76.7	362,022	81.0	39,411	61.4	62,118	76.5
Consulting services	79,091	16.1	72,759	19.6	69,559	15.6	22,109	34.4	13,759	16.9
Other business	21,401	4.4	13,816	3.7	15,488	3.4	2,685	4.2	5,365	6.6
Total	**490,533**	**100.0**	**370,755**	**100.0**	**447,069**	**100.0**	**64,205**	**100.0**	**81,242**	**100.0**

Gross Profit and Gross Margin

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

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	(RMB'000, except for percentages)						*(Unaudited)*			
AI and big data infrastructure software and related technical services										
Infrastructure software	120,448	91.0%	52,215	90.2%	47,527	88.0%	4,825	76.0%	5,095	69.2%
Comprehensive software and services	94,652	51.4%	68,630	47.3%	113,559	53.7%	9,319	46.0%	15,855	41.4%
Technical services.	33,746	46.0%	46,336	57.1%	62,354	64.6%	7,302	57.0%	11,116	67.6%
Sub-total	248,846	63.8%	167,181	58.8%	223,440	61.7%	21,446	54.4%	32,066	51.6%
Consulting services	638	0.80%	6,609	9.1%	9,566	13.8%	1,921	8.7%	36	0.3%
Other business	7,250	33.90%	4,939	35.7%	3,004	19.4%	86	3.2%	1,533	28.6%
Total	**256,734**	**52.3%**	**178,729**	**48.2%**	**236,010**	**52.8%**	**23,453**	**36.5%**	**33,635**	**41.4%**

From 2023 to 2025, our gross profit margin remained relatively stable, ranging from 48.2% to 52.8%. The comparatively lower gross profit margin of 41.4% for the three months ended March 31, 2026 was primarily attributable to seasonality factors, as a substantial portion of our projects are typically completed and revenue is recognized in the second half of the year, while certain costs, particularly staff costs, are relatively fixed in nature. In addition, the gross profit margin of our AI and big data infrastructure software and related technical services decreased due to increased amortization associated with newly utilized intangible assets, while the gross profit margin of our consulting services decreased because the revenue recognized in the first quarter of 2026 was concentrated in customized government and financial sector projects, for which we adopted a more competitive pricing strategy to maintain long-term customer relationships.

See "Financial Information — Description of Selected Items from Consolidated Statements of Profit and Loss — Gross Profit and Gross Margin."

Summary of Consolidated Balance Sheets

	As of December 31,			As of March 31,	As of July 31,
	2023	2024	2025	2026	2026
			(RMB'000)		*(Unaudited)*
Total current assets	**1,559,031**	**1,138,100**	**873,144**	**756,273**	**661,133**
Total non-current assets	**233,833**	**258,159**	**304,904**	**327,892**	**367,854**
Total current liabilities	**318,708**	**279,655**	**303,863**	**271,976**	**280,589**
Total non-current liabilities	**34,322**	**22,163**	**11,673**	**5,676**	**25,486**
Net assets	**1,439,834**	**1,094,441**	**862,512**	**806,513**	**722,912**
Net current assets	**1,240,323**	**858,445**	**569,281**	**484,297**	**380,544**
Non-controlling interests	**(3,467)**	**(4,286)**	**–**	**–**	**–**

We had net assets of RMB1,439.8 million, RMB1,094.4 million and RMB862.5 million as of December 31, 2023, 2024 and 2025, which were resulted from the net movement of the loss and total comprehensive expense for the year, equity settled share-based payments and issue of ordinary shares. Our net assets decreased from RMB1,439.8 million as of December 31, 2023 to RMB1,094.4 million as of December 31, 2024 due to the recognition of the loss and total comprehensive expense for the year of RMB344.3 million in 2024, and equity settled share-based payments amounting to RMB1.1 million. Our net assets decreased from RMB1,094.4 million as of December 31, 2024 to RMB862.5 million as of December 31, 2025 due to the recognition of the loss and total comprehensive expense for the year of RMB245.2 million in 2024, partially offset by the issue of ordinary shares under share incentive scheme of RMB13.2 million. Our net assets decreased from RMB862.5 million as of December 31, 2025 to RMB806.5 million as of March 31, 2026 due to the recognition of the loss and total comprehensive expense for the period of RMB56.0 million during the first quarter of 2026.

Trade Receivables and Cashflow Timing Difference

Our trade receivables turnover days were relatively long during the Track Record Period primarily because many of our major customers, particularly large enterprise and government customers, adopt milestone-based procurement and acceptance procedures, and our revenue is typically concentrated in the fourth quarter, resulting in timing differences between billing, acceptance and settlement. Our payable cycle is shorter as a significant portion of our cost of sales consists of monthly payroll expenses. We have strengthened our cash collection and working capital management practices, including weekly monitoring, prompt invoicing and coordinated follow-ups, to improve cash-conversion efficiency. See "Financial Information — Discussion of Selected Items from Consolidated Statements of Financial Position — Trade and Bills Receivables."

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our statements of cash flows for the years or periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
			(RMB'000)	*(Unaudited)*	
Operating cash flow before movements in working capital	(235,968)	(291,161)	(157,084)	(74,900)	(51,889)
Net cash used in operating activities	(365,432)	(326,593)	(109,650)	(88,739)	(59,320)
Net cash from (used in) investing activities	434,233	555,456	(53,707)	(164,780)	(26,991)
Net cash from (used in) financing activities	31,621	(37,716)	(24,207)	37,999	(24,115)
Net increase/(decrease) in cash and cash equivalents	100,422	191,147	(187,564)	(215,520)	(110,426)
Cash and cash equivalents at beginning of the year/period	252,109	352,748	543,261	543,261	353,951
Effect of foreign exchange rate changes	217	(634)	(1,746)	(786)	(615)
Cash and cash equivalents at the end of the year/period	**352,748**	**543,261**	**353,951**	**326,955**	**242,910**

For the three months ended March 31, 2026, our net cash used in operating activities was RMB59.3 million while our loss for the period was RMB56.0 million. The difference between our loss for the period and our net cash used on operating activities was primarily the results of adjustments for (i) non-cash items of (a) depreciation of property, plant and equipment of RMB7.2 million, (b) depreciation of right-of-use assets of RMB3.8 million, (c) impairment gains under ECL model of RMB2.9 million and (d) gain on changes in fair value of financial assets at FVTPL of RMB3.9 million; and (ii) changes in working capital primarily including a decrease in trade, bills and other receivables of RMB10.9 million, and a decrease in trade, bills and other payables of RMB13.9 million.

In 2025, our net cash used in operating activities was RMB109.7 million while our loss for the year was RMB245.2 million. The difference between our loss for the year and our net cash used on operating activities was primarily the results of adjustments for (i) non-cash items of (a) depreciation of property, plant and equipment of RMB29.8 million, (b) depreciation of right-of-use assets of RMB14.9 million, and (c) impairment losses under ECL model of RMB43.7 million; and (ii) changes in working capital primarily including an increase in trade, bills and other receivables of RMB29.2 million. Such adjustments were partially offset by an increase in contract assets of RMB15.6 million.

In 2024, our net cash used in operating activities was RMB326.6 million while our loss for the year of RMB344.3 million. The difference between our loss for the year and our net cash used on operating activities was primarily the result of adjustments for (i) non-cash items primarily including depreciation of property, plant and equipment of RMB29.9 million; and (ii) changes in working capital primarily including (a) a decrease in trade and bills receivables of RMB29.4 million, and (b) an increase in contract liabilities of RMB24.1 million. Such adjustments were partially offset by a decrease in trade and other payables of RMB66.8 million.

In 2023, our net cash used in operating activities was RMB365.4 million while our loss for the year was RMB289.2 million. The difference between our loss for the year and our net cash used on operating activities was primarily the result of adding back (i) non-cash items primarily including (a) depreciation of right-of-use assets of RMB21.7 million, and (b) share-based payment of RMB20.3 million; and (ii) changes in working capital primarily including an increase in trade, bills and other payables of RMB33.7 million. Such adjustments were partially offset by an increase in trade and bills receivables of RMB149.7 million.

We define our cash burn rate as the average monthly aggregate amount of (i) net cash used in operating activities, (ii) capital expenditures and (iii) lease payments. Our historical monthly average cash burn rate was RMB43.5 million, RMB32.2 million, RMB14.2 million and RMB23.6 million, in 2023, 2024 and 2025 and for the three months ended March 31, 2026, respectively. We had cash and cash equivalents, current portion of term deposits, current portion of financial assets at FVTPL and unutilised banking facilities of RMB469.9 million in aggregate as of March 31, 2026. We assume that our future average cash burn rate will be similar to the historical average monthly rate of RMB16.0 million during the year ended December 31, 2025 and the three months ended March 31, 2026.

Based on this assumption, we estimate that our available cash resources, including 10% of the estimated net proceeds from the Global Offering, will be sufficient to support our operations for approximately 33 months from March 31, 2026. We estimate that our available cash resources would support approximately 29 months of operations if such 10% portion of the estimated net proceeds were excluded, and approximately 67 months if 100% of the estimated net proceeds were included. Our Directors and senior management will continue to closely monitor cash burn, working capital and business development needs to ensure that we maintain an adequate liquidity position.

See "Financial Information — Liquidity and Capital Resources — Cash Flows" and "Financial Information — Working Capital Sufficiency."

Summary of Key Financial Ratios

The following table sets forth certain of our key financial ratios as of and for the years or periods indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
Current ratio[(1)]	4.9	4.1	2.9	2.8

Note:

(1) Current ratio equals total current assets divided by total current liabilities of the same date.

Our current ratio decreased from 4.9 as of December 31, 2023 to 4.1 as of December 31, 2024, mainly due to a decrease in our current assets as a result of a decrease in Financial assets at FVTPL, partially offset by a decrease in our current liabilities. Our current ratio further decreased to 2.9 as of December 31, 2025, mainly due to (i) a significant decrease in our current assets primarily driven by a decrease in cash and cash equivalents of RMB189.3 million as a result of spending on R&D expense, purchasing on PPE and intangible assets during the ordinary course of our business, (ii) a decrease in trade and bills receivables from RMB337.4 million as of December 31, 2024 to RMB265.4 million as of December 31, 2025 as a result of our enhanced collection efforts; and (iii) a slight increase in our current liabilities. Our current ratio remained relatively stable at 2.9 as of December 31, 2025 and 2.8 as of March 31, 2026.

OUR A SHARE LISTING

Since October 2022, our Company has been listed on the STAR Market. As of the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with the rules of the STAR Market and other applicable securities laws and regulations of the PRC since our listing on the STAR Market, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the STAR Market. As of the Latest Practicable Date, as advised by our PRC Legal Advisors, since the A Share Listing, our Company has been in compliance with all applicable securities laws and regulations of the PRC in all material respects. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisors' view, nothing has come to the Sole Sponsor's attention that would cause it to disagree with our Directors' confirmation with regard to the compliance records of the Company on the STAR Market.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

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, on the basis that, among other things, we satisfy the requirements under Rule 18C.03 of the Listing Rules (as modified by the Joint Announcement of the SFC and the Stock Exchange in relation to Temporary Modification to Requirements for Specialist Technology Companies and De-SPAC Transaction dated August 23, 2024) as a Commercial Company with reference to our expected market capitalization at the time of Listing, which, as set out in "— Global Offering Statistics," exceeds HK$4 billion.

PATH TO PROFITABILITY

We recorded accumulated losses as of January 1, 2023, and incurred adjusted net losses and net operating cash outflows during the Track Record Period primarily because we continued to invest heavily in research and development, technical talent and market expansion to build our core AI and big data infrastructure capabilities. In addition, our revenue declined in 2024 compared to 2023 due to changes in customer procurement timing and project implementation cycles, and had not yet recovered to the 2023 level in 2025, which limited our ability to fully realize economies of scale during this period.

We expect to incur a net loss for the year ending December 31, 2026 primarily because we will continue to invest in research and development, sales and market expansion and have yet to fully realize operating leverage, despite the resumption of revenue growth. We will continue to focus on improving sales efficiency, enhancing customer conversion and expanding wallet share among existing customers, while maintaining disciplined cost control. We have formulated a clear and actionable strategy to achieve sustainable profitability by capitalizing on favorable market trends, driving revenue growth through targeted customer and market expansion, exercising disciplined cost management and progressively narrowing our net loss. See "Business — Path to Profitability."

RECENT DEVELOPMENTS

We expect to record a net loss in 2026, primarily due to our continued investment in research and development, higher service fees incurred in relation to business expansion, and an increase in operating costs in line with our revenue growth.

Summary of Unaudited Financial Statements for the Six Months Ended June 30, 2026

We are a public company listed on the STAR Market of the Shanghai Stock Exchange and we have disclosed unaudited key financial information prepared under PRC GAAP as of and for the six months ended June 30, 2026 pursuant to the relevant PRC securities laws and regulations. We have included our unaudited interim condensed consolidated financial information prepared in accordance with IAS 34, Interim Financial Reporting as of and for the six months ended June 30, 2026 in Appendix IA to this document. Our unaudited interim condensed consolidated financial information as of and for the six months ended June 30, 2026 has been reviewed by our reporting accountant in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. The members of the Board, including those of the Audit Committee, have received and reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026, as set out in Appendix IA to this document. Save as disclosed in "Directors and Senior Management — Corporate Governance," we have complied with the code provisions in Part 2 of Appendix C1 to the Listing Rules. We are not in breach of our Articles of Association or laws and regulations of the PRC or other regulatory requirements regarding our obligation to distribute interim reports in accordance with the requirements under Rule 13.48(1) of the Listing Rules. Pursuant to the Note to Rule 13.48(1) of the Listing Rules, we do not intend to distribute a separate interim report in respect of the six months ended June 30, 2026 under the aforementioned Rule.

Our revenue increased by 14.1% from RMB152.0 million for the six months ended June 30, 2025 to RMB173.5 million for the six months ended June 30, 2026, primarily attributable to (i) an increase in revenue generated from our AI and big data infrastructure software and related technical services from RMB111.1 million to RMB139.4 million, primarily driven by rising procurement demand from government and state-owned enterprise customers amid the accelerated adoption of AI across different industries in 2026; and (ii) an increase in revenue generated from our other business from RMB6.8 million to RMB7.7 million, mainly driven by higher sales of integrated software and hardware products. Such increase was partially offset by a decrease in revenue generated from our consulting services business from RMB34.1 million to RMB26.4 million as we continued to prioritize resources toward our core AI and big data infrastructure software and related technical services business, resulting in reduced resource allocation to our consulting services business.

Our gross profit increased by 18.0% from RMB69.6 million for the six months ended June 30, 2025 to RMB82.2 million for the six months ended June 30, 2026, and our gross profit margin increased from 45.8% to 47.4%, primarily attributable to a higher revenue contribution from our AI and big data infrastructure software and related technical services, which generally have higher gross profit margins. Gross profit from our AI and big data infrastructure software and related technical services increased from RMB65.5 million to RMB75.7 million, primarily driven by revenue growth in this business, although its gross profit margin decreased from 59.0% to 54.3% primarily due to increased amortization of newly utilized intangible assets allocated to this business. Gross profit from our consulting services increased from RMB3.7 million to RMB4.5 million, while gross profit margin increased from 10.9% to 16.9%, primarily due to the recognition of certain higher-margin customized solution projects during the six months ended June 30, 2026. Gross profit from our other business increased from RMB0.4 million to RMB2.0 million, while its gross profit margin increased from 5.3% to 26.3%, primarily attributable to a higher revenue contribution from our next-generation integrated software and hardware products, which are typically sold together with software licensing services that generally command higher gross profit margins.

Our loss for the period narrowed from RMB142.9 million for the six months ended June 30, 2025 to RMB112.8 million for the six months ended June 30, 2026.

See "Appendix IA — Report on Review of Condensed Consolidated Financial Statements" for details and "Financial Information — Recent Developments and No Material Adverse Change — Summary of Unaudited Financial Statements for the Six Months Ended June 30, 2026" for our discussion of fluctuations of selected line items.

The Bidding Incident

On May 9, 2026, the Procurement and Asset Management Division of the Logistics Support Department of the National University of Defence Technology ("**NUDT**") issued a notice of suspension (the "**Notice**") on our Company, Mr. Sun (as legal representative of our Company) and Mr. Long Zhenyu ("**Mr. Long**", a former authorized representative of the bid who left the Company in November 2021), concerning suspected bid rigging in a project which we submitted tender in 2021 (the "**Bidding Incident**"). Pursuant to the Notice, the qualification of our Company and entities whose equity interests are controlled by, or which are managed by Mr. Sun (as legal representative of our Company) and Mr. Long to participate in certain military logistics procurement activities was temporarily suspended with effect from May 9, 2026. In August 2026, we received the final decision from NUDT following its investigation of the Bidding Incident ("**Decision**"). Pursuant to the Decision, from 9 May 2026 to 9 May 2027, our Company and entities controlled or managed by Mr. Sun are prohibited from participating in such activities, and Mr. Long is prohibited from acting as a representative for suppliers in such activities (the "**Suspension**").

We first became aware of the Notice on May 10, 2026, via Military Procurement Network, and promptly commenced an internal investigation. We identified that the Bidding Incident arose due to the unauthorized personal misconduct of our former employee, who left the Company in October 2024, involved in the bid process. None of our Group or any Directors or members of our senior management (including Mr. Sun) was aware of, involved in, or had approved the aforesaid former employee's misconduct at the relevant time, or had otherwise derived any benefit from the alleged bid rigging. The aforesaid former employee, at no time, held any position as a Director or member of our senior management.

Our Company confirms that: (i) to the best of the knowledge and belief of our Directors, Mr. Sun and Mr. Long were named in the Notice and the Decision solely by reason of their positions as our legal representative and authorized representative of the bid, respectively, in accordance with NUDT's standard practice, and did not implicate any involvement or misconduct on their parts relating to the bidding process underlying the Bidding Incident, nor any finding of personal wrongdoing against them; and (ii) we have continued to refine our existing internal control measures to prevent the recurrence of similar incidents, and our Internal Control Consultant did not identify any material deficiency in the design of our internal controls in respect of our customer bidding management procedures. See "Directors and Senior Management — Further Information about our Directors and Senior Management — The Bidding Incident" for details.

Our PRC Legal Advisers are of the opinion that: (i) the Suspension restricts only our Company's participation in military logistics procurement activities and does not constitute an administrative penalty against, or a finding of individual wrongdoing by, Mr. Sun or Mr. Long in their personal capacity; and (ii) Mr. Sun and Mr. Long's being named in the Notice and the Decision arises solely from their positions as the Company's legal representative and authorized representative of the bid under NUDT's standard practice; and (iii) the Notice and the Decision has no implication on Mr. Sun's character, integrity or competence, and does not affect his suitability to act as a director of a listed issuer under the PRC laws or the Shanghai Stock Exchange Listing

Rules. Our PRC Legal Advisers' opinion was based on their review of the Notice and Decision, applicable PRC laws and NUDT's internal rules, interview with NUDT, comparable precedent cases, and confirmations from Mr. Sun and the Company.

In light of the aforesaid, our Directors are of the view that the Bidding Incident was an isolated act of misconduct committed by the aforesaid former employee, and does not affect the suitability of the Directors, including Mr. Sun, to act as Directors of our Company for the purposes of Rules 3.08 and 3.09 of the Listing Rules, nor our suitability for listing under Rule 8.04 of the Listing Rules. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that causes it to cast doubt on the aforesaid view of our Directors.

In light of the increasing number of bidding opportunities arising from our Group's business growth and the needs for better security due to the evolving IT environment, we have, as part of our practice of periodic enhancement, continued to refine our existing internal control measures (the "**Enhanced Measures**") with regard to bidding management, as well as the management of confidential information and trade secrets. See "Directors and Senior Management — Further Information about our Directors and Senior Management — The Bidding Incident" and "Business — Environmental, Social and Governance Matters — Governance — Business Ethics" for details.

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, operational or trading position since March 31, 2026 (being the date on which our latest consolidated financial information was prepared), and there has been no event since March 31, 2026 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I.

GLOBAL OFFERING STATISTICS

	Based on the low-end of the indicative Offer Price range of HK$49.00	Based on the high-end of the indicative Offer Price range of HK$61.00
Market capitalization of our H Shares immediately after the Global Offering(1)	HK$686.5 million	HK$854.7 million
Market capitalization of our Shares immediately after the Global Offering(2)	HK$15,931.8 million	HK$16,100.0 million
Unaudited pro forma adjusted net consolidated tangible assets per Share(3)	HK$10.71	HK$11.90

Notes:

(1) The calculation of market capitalization of our H Shares is based on 14,010,800 H Shares expected to be issued pursuant to the Global Offering.

(2) The calculation of market capitalization of our Shares is based on the assumption that 135,146,716 Shares in issue and to be issued after completion of the Global Offering, comprising: (i) 14,010,800 H Shares expected to be issued pursuant to the Global Offering; and (ii) 121,135,916 A Shares are in issue immediately after completion of the Global Offering (assuming that no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the Listing Date) with an average closing price of our Company for the five trading days immediately preceding the Latest Practicable Date at RMB108.82 (or approximately HK$125.85) per A Share.

(3) See "Appendix II — Unaudited Pro Forma Financial Information" for details regarding the assumptions used and the calculation method.

DIVIDENDS

We do not have a formal dividend policy or pre-determined distribution ratio. However, we may distribute profits in the form of cash and/or share dividends in accordance with provisions regarding dividends in our Articles of Association, subject to applicable laws, our profitability, cash flow position and future business development needs. We will generally distribute cash dividends once a year, provided that our accumulated undistributed profits and distributable profits for the year are positive and our cash flow can support normal operations and sustainable growth. In principle, the total cash dividends distributed in the most recent three years will not be less than 30% of the average annual distributable profit for such period. The proportion of cash dividends will be determined with reference to our development stage and capital expenditure plans, and will not be less than 80% if we are in a mature stage without major capital expenditure plans, 40% if we are in a mature stage with major capital expenditure plans, and 20% if we are in a growth stage with major capital expenditure plans.

The declaration of dividends is subject to the discretion of our Board and the approval of our shareholders. Our Board may recommend a payment of dividends in the future after taking into account a number of factors, including our earnings, capital requirements, overall financial conditions, contractual and applicable legal restrictions and other factors which they may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations, including the approval of our shareholders. As confirmed by our PRC Legal Advisors, according to the PRC Company Law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above. We may stop allocating the net profit when the aggregate balance of the statutory common reserve fund has reached more than 50% of our registered capital. During the Track Record Period, we did not declare or pay any dividends, as we did not have sufficient distributable reserves. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that it is required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. In light of our accumulated losses as disclosed in this prospectus, our Company may not be in a position to declare and pay dividends until the accumulated losses have been offset and the required reserve fund has been established, in accordance with the PRC laws and regulations. There is no guarantee that dividends of such amount or any amount will be declared or distributed each year or in any given year. See "Financial Information — Dividends."

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$700.9 million, assuming an Offer Price of HK$55.00 per Offer Share (being the mid-point of the indicative Offer Price range), after deducting the underwriting commissions and estimated expenses paid or payable by us in connection with the Global Offering. In line with our strategies, we intend to allocate: (i) approximately 30.0% of the net proceeds, or HK$210.2 million, to enhance and optimize our R&D and innovation capabilities of our entire product and solution stack to drive full-chain technology upgrades through "AI × Data"; (ii) approximately 20.0% of the net proceeds, or HK$140.3 million, for upgrading and expanding our product and solution stack; (iii) approximately 15.0% of the net proceeds, or HK$105.1 million, to strengthen our sales channels and team building in key markets both in the PRC and overseas; (iv) approximately 5.0% of the net proceeds, or HK$35.0 million, for improving our commercialization capability and brand influence; (v) approximately 20.0% of the net proceeds, or HK$140.2 million, for making strategic investments; and (vi) approximately 10.0% of the net proceeds, or HK$70.1 million, for working capital and other general corporate purposes.

See "Future Plans and Use of Proceeds."

LISTING EXPENSES

Listing expenses consist of professional fees, underwriting commission, and other fees incurred in connection with the Global Offering. We expect to incur total listing expenses of approximately RMB60.3 million (HK$69.7 million) (based on the mid-point of the indicative Offer Price range), which accounts for approximately 9.1% of the gross proceeds from the Global Offering. During the Track Record Period, we incurred RMB21.2 million (HK$24.5 million) in listing expenses, of which amount of RMB1.1 million (HK$1.3 million) was recognized in the profit or loss and RMB20.1 million (HK$23.2 million) will be deducted from equity upon Listing. We expect to incur additional listing expenses of approximately RMB39.1 million (HK$45.2 million) (based on the mid-point of the indicative Offer Price range). We estimate the additional listing expenses to consist of approximately RMB26.7 million (HK$30.9 million) in underwriting fees and RMB12.4 million (HK$14.3 million) in non-underwriting fees (which consist of fees and expenses of legal advisors and our Reporting Accountants of approximately RMB8.1 million (HK$9.4 million) and other fees and expenses of approximately RMB4.3 million (HK$4.9 million)). Among the listing expenses to be incurred, approximately RMB38.9 million (HK$45.0 million) will be directly attributable to the issue of our Shares, which will be deducted from equity upon the completion of the Global Offering, and the remaining RMB0.2 million (HK$0.2 million) will be expensed in our consolidated statements of comprehensive income. Our Directors do not expect such expenses to materially impact our results of operations in 2026.

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this prospectus.

"2023 Share Incentive Scheme"	the share incentive scheme adopted by the Company on March 29, 2023, the principal terms of which are summarized in "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme"
"A Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are traded in RMB and listed for trading on the STAR Market
"A Share Listing"	the listing of the A Shares on the STAR Market since October 18, 2022
"A Shareholder(s)"	holder(s) of the A Share(s)
"Accountants' Report"	the accountants' report for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this prospectus
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"ArgoDB"	Transwarp ArgoDB, a distributed database supporting high-performance SQL analytics, elastic scaling, and compatibility with Oracle and other traditional systems, designed for mission-critical enterprise workloads
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix V to this prospectus
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"AUM"	asset under management
"Beijing Transwarp"	Transwarp Zhongzhi Technology (Beijing) Co., Ltd. (星環眾志科技(北京)有限公司), a limited liability company established in the PRC on February 15, 2017, which is wholly-owned by our Company
"Board" or "Board of Directors"	the board of Directors
"business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

"CAGR"	compound annual growth rate, which is calculated by dividing the amount at the end of the period by the amount of the beginning of that period, raising the result to an exponent of one divided by the number of years in the period, and subtracting one from the subsequent result
"CAICT"	China Academy of Information and Communications Technology, a leading research institute in China, directly under the MIIT
"Capital Market Intermediaries" or "capital market intermediaries" or "CMIs"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed to it under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Chairman"	chairman of our Board
"China" or "PRC"	the People's Republic of China, unless the context requires otherwise, excluding, for the purpose of this prospectus and for geographical reference only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"Chongqing Transwarp"	Chongqing Transwarp Artificial Intelligence Technology Research Institute Co., Ltd. (重慶星環人工智能科技研究院有限公司), a limited liability company established in the PRC on November 5, 2019, which is wholly-owned by our Company
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"CNIPA"	the China National Intellectual Property Administration (中華人民共和國國家知識產權局)
"Commercial Company"	has the meaning ascribed to it under Chapter 18C of the Listing Rules
"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," "our Company" or "the Company"	Transwarp Technology (Shanghai) Co., Ltd. (星環信息科技(上海)股份有限公司), a company established in the PRC on June 5, 2013 as a limited liability company and converted to a joint stock company on December 15, 2020, the A Shares of which have been listed on the STAR Market (stock code: 688031)
"Company Law" or "PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Core R&D Member(s)"	our core R&D member(s), the details of whom are set out in "Business — Research and Development — Core R&D Members"
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Designated Bank"	HKSCC Participant's EIPO Designated Bank
"Director(s)"	the director(s) of our Company
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), as enacted by the NPC on March 16, 2007 and effective on January 1, 2008, as amended, supplemented or otherwise modified from time to time
"ESG"	environmental, social and governance
"EU"	the European Union
"Exchange Participant(s)"	a person: (a) who, in accordance with the Rules of the Exchange, 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"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"Fast Interface for New Issuance" or "FINI"	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
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the industry consultant of our Company
"Frost & Sullivan Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this prospectus
"FVTPL"	fair value through profit or loss
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"GFA"	gross floor area

"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group," "our Group," "we," "our" or "us"	our Company and its subsidiaries from time to time, or any one of them as the context may require
"Guide" or "Listing Guide"	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Hong Kong Stock Exchange
"H Share Registrar"	Tricor Investor Services Limited
"H Shareholder(s)"	holder(s) of the H Share(s)
"Henan Transwarp"	Henan Transwarp Zhongzhi Information Technology Co., Ltd. (河南星環眾志信息科技有限公司), a limited liability company established in the PRC on July 5, 2018, which is wholly-owned by our Company
"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications 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 EIPO**"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a clearing participant or a custodian participant under HKSCC to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operation and functions of CCASS, 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" or "HK"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 700,600 H Shares initially being offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering, subject to reallocation as described in "Structure of the Global Offering"
"Hong Kong Public Offering"	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), subject to and in accordance with the terms and conditions set out in this prospectus
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering whose names are set out in the section headed "Underwriting — Hong Kong Underwriters"
"Hong Kong Underwriting Agreement"	the underwriting agreement dated September 9, 2026 relating to the Hong Kong Public Offering entered into among our Company, Mr. Sun, Shanghai Zanxing, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators and the Hong Kong Underwriters, as further described in the section headed "Underwriting — The Hong Kong Public Offering"
"IASB"	International Accounting Standards Board
"IDC"	International Data Corporation, a global market intelligence firm specializing in the information technology telecommunications, and consumer technology sectors
"IFRS"	International Financial Reporting Standards
"Inceptor"	a distributed relational analytics engine within TDH for executing complex SQL queries on large datasets efficiently
"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
"Infinity Intelligence"	a knowledge platform integrated with TKH, enabling contextualized AI Q&A, risk analysis, and knowledge retrieval
"Infinity Logits"	a business intelligence analysis platform integrated with TKH, allowing users to use natural language to do data analysis
"International Offer Shares"	the 13,310,200 H Shares being offered for subscription at the Offer Price under the International Offering, subject to reallocation as described in "Structure of the Global Offering"

"International Offering"	the offer of the International Offer Shares at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) outside the United States in offshore transactions in accordance with Regulation S, on and subject to the terms and conditions of the International Underwriting Agreement, as further described in "Structure of the Global Offering"
"International Underwriters"	the group of international underwriters expected to enter into the International Underwriting Agreement relating to the International Offering
"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering to be entered into by, among others, our Company, Mr. Sun, Shanghai Zanxing, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators and the International Underwriters on or about the Price Determination Date, as further described in the section headed "Underwriting — The International Offering"
"Joint Bookrunners"	the joint bookrunners as named in "Directors and Parties Involved in the Global Offering"
"Joint Global Coordinators"	the joint global coordinators as named in "Directors and Parties Involved in the Global Offering"
"Joint Lead Managers"	the joint lead managers as named in "Directors and Parties Involved in the Global Offering"
"Key Persons"	the key persons of a Specialist Technology Company referred to in Rule 18C.14(1) of the Listing Rules, and for the purpose of our Company, comprises the persons set out in "History, Development and Corporate Structure — Lock-up Periods"
"KunDB"	Transwarp KunDB, a distributed transactional database designed for high-concurrency OLTP workloads with strong consistency and compatibility with SQL and MySQL, commonly used in core financial and public systems
"Latest Practicable Date"	September 4, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing"	the 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 about Monday, September 21, 2026, on which the H Shares are listed and on which dealings in the H Shares are first permitted to commence on the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

"Main Board"	the stock exchange (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)
"MOFCOM"	the Ministry of Commerce of the People's Republic of China (中華人民共和國商務部)
"Mr. Sun"	Mr. SUN Yuanhao (孫元浩), our executive Director, chairman of the Board and general manager, being a member of the Single Largest Group of Shareholders
"Nanjing Transwarp Intelligent"	Nanjing Transwarp Intelligent Technology Co., Ltd. (南京星環智能科技有限公司), a limited liability company established in the PRC on September 30, 2019, which is wholly-owned by our Company
"Nomination Committee"	the nomination committee of our Board
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering, to be determined as described in section headed "Structure of the Global Offering" in this prospectus
"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares
"Overall Coordinators"	the overall coordinators as named in "Directors and Parties Involved in the Global Offering"
"Overseas Listing Trial Measures"	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》) and five supporting guidelines promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023
"Pathfinder SII(s)"	has the meaning ascribed to it under Chapter 2.5 of the Listing Guide, and unless the context otherwise requires, refers to the investors which are set out in "History, Development and Corporate Structure — Investments Prior to the A Share Listing — Our Pathfinder SIIs and Sophisticated Independent Investors — Our Pathfinder SIIs"
"PCT"	the Patent Cooperation Treaty
"PRC government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organizations of such government or, as the context requires, any of them
"PRC Legal Advisors"	JunHe LLP, our legal advisors as to PRC laws in connection with the Global Offering
"PRC Securities Law"	the Securities Law of the People's Republic of China (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time

"Price Determination Agreement"	the agreement to be entered into between our Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters) on the Price Determination Date to record and fix the Offer Price
"Price Determination Date"	the date, expected to be on or about Thursday, September 17, 2026, on which the Offer Price is to be fixed by agreement between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters)
"prospectus" or "Prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"R&D"	research and development
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"RMB"	Renminbi, the lawful currency of the People's Republic of China
"SAFE"	the State Administration of Foreign Exchange of the People's Republic of China (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the People's Republic of China (中華人民共和國國家市場監督管理總局)
"Sanctions Counsels"	Jun He Law Offices LLC and JunHe LLP, legal advisors to our Company as to international sanctions laws and PRC sanctions laws, respectively
"Securities and Futures Commission" or "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
"Shanghai Zanxing"	Shanghai Zanxing Investment Center (Limited Partnership) (上海贊星投資中心(有限合夥)), a limited partnership established in the PRC on June 11, 2014, being a member of the Single Largest Group of Shareholders
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Single Largest Group of Shareholders"	refers to Mr. SUN Yuanhao (孫元浩), Shanghai Zanxing, Mr. FAN Lei (范磊), Mr. LV Cheng (呂程) and Mr. SHE Hui (佘暉)

"Slipstream"	a real-time stream processing engine integrated within TDH, enabling processing of continuous data streams with low latency
"Sole Sponsor"	Haitong International Capital Limited
"Sole Sponsor-Overall Coordinator"	Haitong International Securities Company Limited
"Sophisticated Independent Investor(s)" or "SII(s)"	has the meaning ascribed to it under Chapter 2.5 of the Listing Guide, and unless the context otherwise requires, refers to the investors set out in "History, Development and Corporate Structure — Investments Prior to the A Share Listing — Our Pathfinder SIIs and Sophisticated Independent Investors"
"Sophon"	an enterprise-grade AI development and operation platform integrating MLOps and LLMOps capabilities for model lifecycle management, compatible with mainstream frameworks and hardware for scalable AI deployment
"Specialist Technology"	has the meaning ascribed to it under Chapter 18C of the Listing Rules
"Specialist Technology Company"	has the meaning ascribed to it under Chapter 18C of the Listing Rules
"Specialist Technology Industry"	has the meaning ascribed to it under Chapter 18C of the Listing Rules
"Specialist Technology Product(s)"	has the meaning ascribed to it under Chapter 18C of the Listing Rules
"STA"	State Taxation Administration of the People's Republic of China (中華人民共和國國家稅務總局)
"STAR Market"	the Science and Technology Innovation Board of the Shanghai Stock Exchange (上海證券交易所科創板)
"State Council"	the State Council of the People's Republic of China (中華人民共和國國務院)
"StellarDB"	a graph computation engine embedded in TDH, used for processing and analyzing graph-structured data
"Strategy Committee"	the strategy committee of our Board
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"subsidiary(ies)"	has the meaning ascribed to it in the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time

"TCOS"	Transwarp Cloud Operating System, a container-based platform supporting resource scheduling and orchestration across heterogeneous environments, enabling elastic, multi-tenant cloud deployments
"TDC"	Transwarp Data Cloud, a proprietary, cloud-native AI infrastructure platform enabling elastic resource scheduling and modular deployment across private, public, and hybrid clouds, integrating Transwarp's core product stack
"TDH"	Transwarp Data Hub, a self-developed big data infrastructure platform supporting enterprise-scale data integration, processing, and analytics across structured and unstructured data, built on a distributed, cloud-native architecture
"TDS"	Transwarp Data Studio, a cloud-native data development and governance platform offering low-code tools for data integration, quality control, metadata management, and large-scale task orchestration
"TKH"	Transwarp Knowledge Hub, a semantic intelligence platform supporting knowledge graph construction, RAG pipelines, and multimodal reasoning, enabling domain-specific Q&A and intelligent document processing
"TPC-DS"	Transaction Processing Performance Council Decision Support, an industry-standard benchmark that evaluates the performance of decision support systems handling large data volumes
"Track Record Period"	the period comprising the financial years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026
"UN"	the United Nations
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollar(s)" or "US$"	United States dollar(s), the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
"we," "us" or "our"	the Company
"%"	percent

Unless the content otherwise requires, references to "2023," "2024" and "2025" in this prospectus refer to our financial year ended December 31 of such year, respectively.

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 Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

For the purpose of this prospectus, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

In this prospectus, unless the context otherwise requires, explanations and definitions of certain terms used in this prospectus in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"AI"	Artificial Intelligence, simulation of human intelligence processes by machines, especially computer systems
"ANSI SQL"	American National Standards Institute Structured Query Language, a standardized version of SQL supported by most relational database systems, enabling interoperability across platforms
"API"	Application Programming Interface, a set of protocols and tools that allow software applications to communicate and interact with each other
"ARM"	Advanced RISC Machine, a family of RISC (Reduced Instruction Set Computing) processor architectures, widely used in mobile devices, embedded systems, and increasingly in servers and laptops
"CPU"	Central Processing Unit, the primary processor of any computer or electronic device
"DAG"	Directed Acyclic Graph, a data structure used to represent execution flows where no cycles exist, enabling efficient scheduling in distributed systems
"data assets"	Structured and semi-structured data that have been collected, organized, governed and managed by an enterprise for operational, analytical or decision-making purposes, including business records, transaction data, operational metrics and other data that are stored, processed and reused across different systems and applications
"data lake"	A large storage repository that holds raw, unprocessed data in its native format (structured, semi-structured, or unstructured) until it's needed
"data mart"	A subset of a data warehouse focused on the support of applications for a specific business line or department (e.g., sales, marketing, finance), optimized for interactive data analytics
"data warehouse"	A centralized repository of cleaned, structured, and integrated data, optimized for analytical querying and reporting
"EMR"	Electronic Medical Record, a digital version of a patient's chart, containing their medical and treatment history, similar to a paper chart but with enhanced functionality
"ERP"	Enterprise Resource Planning, a software system that integrates various business processes and functions into a single, unified system

"GPU"	Graphics Processing Unit, a specialized processor designed to accelerate image rendering and parallel computation, often used in AI model training and inference
"HIS"	Hospital Information System, a comprehensive computer system used in healthcare facilities to manage administrative, financial, and clinical data
"HRP"	Human Resource Planning, a systematic process that aligns an organization's workforce with its strategic goals
"IaaS"	Infrastructure-as-a-Service, a cloud service model that delivers virtualized computing resources — such as compute, storage, and networking — over the internet
"ISV"	Independent Software Vendor, a company that develops, markets, and sells software products
"lakehouse"	A modern data architecture that creates a single platform by combining the key functions of data lakes and data warehouses
"lakehouse mart"	A modern data architecture that creates a single platform by combining the key functions of data lakes, data warehouses and data mart
"LLM(s)"	Large Language Model(s), AI systems, specifically deep learning models, trained on vast amounts of text data to understand and generate human language
"LLMOps"	Large Language Model Operations, a set of tools and frameworks that manage the full lifecycle of LLMs, including pre-training, fine-tuning, versioning, deployment, and inference optimization
"MLOps"	Machine Learning Operations, a methodology that enables streamlined development, deployment, monitoring, and governance of machine learning models in production environments
"MVCC"	Multi-Version Concurrency Control, a concurrency control method that allows multiple versions of data to exist simultaneously to ensure transaction isolation
"MySQL"	An open-source relational database management system known for its speed, reliability, and ease of use, widely adopted for web and enterprise applications
"NPU"	Neural Processing Unit, a specialized processor designed specifically to accelerate neural network computations in AI applications
"OCR"	Optical Character Recognition, a technology that converts different types of documents, such as scanned paper documents or images, into machine-readable text
"OLAP"	Online Analytical Processing, a category of systems designed for querying and analyzing multidimensional data for business intelligence and decision support

"OLTP"	Online Transaction Processing, a class of systems that facilitate and manage transaction-oriented applications, typically for data entry and retrieval in enterprise environments
"Oracle PL/SQL"	Oracle Procedural Language/SQL, Oracle's proprietary procedural extension to SQL, allowing procedural constructs like loops and conditional statements
"OS"	Operating System, a software that manages computer hardware and software resources, and provides common services for computer programs
"PaaS"	Platform-as-a-Service, a cloud service model providing a platform that allows customers to develop, run, and manage applications without dealing with underlying infrastructure
"RAG"	Retrieval-Augmented Generation, an AI technique that enhances LLM outputs by retrieving relevant context from external knowledge sources to improve accuracy and contextual relevance
"RIS"	Radiology Information System, a specialized software system used in radiology departments to manage patient data, scheduling, billing, and reporting
"Scope"	A full-text indexing and search engine within TDH, enabling semantic and keyword-based document search across data types
"SI"	System Integrator, a company or individual that specializes in combining different subsystems into a single, cohesive system
"SQL"	Structured Query Language, a standardized language used for managing and querying relational databases
"TPCx-AI"	Transaction Processing Performance Council AI Benchmark, a benchmark designed by the TPC to evaluate AI workload performance across the full machine learning lifecycle
"TPCx-BB"	Transaction Processing Performance Council Big Bench, a benchmark to assess performance of big data systems using business-oriented queries and large-scale data
"UI"	User Interface, the space where interactions between humans and machines occur

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as “believe,” “expect,” “estimate,” “predict,” “aim,” “intend,” “will,” “may,” “plan,” “consider,” “anticipate,” “seek,” “should,” “could,” “would,” “continue,” and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward- looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our strategies, plans, objectives and goals and our ability to successfully implement these strategies, plans, objectives and goals;
- changes to the regulatory environment and general outlook in the industry and markets in which we operate;
- our expectations with respect to our ability to acquire and maintain regulatory licences or permits;
- changes in competitive conditions and our ability to compete under these conditions;
- future developments, trends and conditions in the industry and markets in which we operate;
- general economic, political and business conditions in the markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our ability to control costs and expenses;
- our ability to defend our intellectual rights and protect confidentiality;
- our dividend policy;
- changes or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends;
- capital market developments;
- the actions and developments of our competitors;
- changes to regulatory and operating conditions in the industry and markets in which we operate;
- all other risks and uncertainties described in the section headed “Risk Factors” in this prospectus; and
- other statements in this prospectus that are not historical facts.

This prospectus also contains market data and projects that are based on a number of assumptions. The markets may not grow at the rates projected by the market data, or at all. The failure of the markets to grow at the projected rates may materially and adversely affect our business and the market price of our Shares. If any of the assumptions underlying the market data prove to be incorrect, actual results may differ from the projections based on these assumptions.

We do not guarantee that the transactions and events described in the forward-looking statements in this prospectus will happen as described, or at all. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risks and uncertainties set forth in "Risk Factors." You should read this prospectus in its entirety and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements made in this prospectus relate only to events as at the date on which the statements are made or, if obtained from third-party studies or reports, the dates of the respective studies or reports. Since we operate in an evolving environment where new risks or uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events. We undertake no obligation, beyond what is required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even when our situation may have changed.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect or at all. Accordingly, the forward-looking statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realized. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section. In this prospectus, statements of or references to our intentions or those of the Directors are made as of the date of this prospectus. Any such information may change in light of future developments.

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information," before making an investment in our H Shares. These risks and uncertainties could materially and adversely affect our business, financial condition, results of operations or prospects. The trading price of our H Shares may decline due to any of these risks and uncertainties, and you may lose all or part of your investment. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements."

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

AI technologies are constantly evolving. Any flaws or inappropriate usage of AI technologies, whether actual or perceived, whether intended or inadvertent, whether committed by us or by other third parties, could have negative impact on our business, reputation and the general acceptance of AI products, services and solutions by the society.

AI technologies are constantly evolving. To remain competitive in the AI infrastructure software industry, we must continue to stay abreast of rapid technological developments and continuously evolving industry trends. We can make no assurance that our R&D efforts or other efforts in response to these constant changes will generate our expected return, or any return at all. Failure to cope with rapid development of AI technologies may materially and adversely affect our business, financial condition and results of operations.

AI technologies are still at a preliminary stage of development and will continue to evolve. Flaws or deficiencies in AI technologies could undermine the accuracy and thoroughness of the analysis and decisions made by our products, services and solutions. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. If the recommendations, forecasts or analysis that our AI products, services and solutions assist in producing are deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, and ethical or reputational harm. Any flaws or deficiencies in our AI technologies, products, services and solutions, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

Similar to many disruptive innovations, AI technologies present risks and challenges that could affect user perception and public opinion. Any inappropriate, abusive or premature usage of AI technologies, whether actual or perceived, whether intended or inadvertent, and whether by us or by third parties, may dissuade prospective users from adopting AI products, services and solutions, may impair the general acceptance of AI products, services and solutions by the society, attract negative publicity and adversely impact our reputation. It may even violate applicable laws and regulations in China and other jurisdictions and subject us to legal or administrative proceedings, pressures from activists and/or other organizations and heightened scrutiny by regulators. Each of the foregoing events may in turn materially and adversely affect our business, financial condition and results of operations.

The industries in which we operate are characterized by constant changes. If we fail to continuously innovate our technology and provide useful products, services and solutions that meet the expectations of our users, our business, financial condition and results of operations may be materially and adversely affected.

The industries in which we operate are characterized by constant changes, including rapid technological evolution, frequent introductions of new products, services and solutions, continual shifts in users demands and constant emergence of new industry standards and practices. Thus, our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. We need to constantly anticipate the emergence of new technologies and assess their market acceptance. To remain competitive, we must continue to stay abreast of the continuously evolving industry trends and rapid technological developments. We may not be able to leverage new technologies effectively or adapt our products, services and solutions to meet user needs or emerging industry standards, and our technology approach might not align with our future development plans or even become obsolete if we are unable to adapt in a cost-effective and timely manner to changing market conditions, whether for technical, legal, financial or other reasons. Our success will depend partially on our ability to continuously identify, develop, acquire, protect or license advanced and new technologies that are valuable to our products, services and solutions and services. Failure to do so could render our existing products, services and solutions obsolete and unappealing, thereby adversely affecting our business prospects.

Moreover, uncertainties regarding the timing and nature of the development of AI products, solutions or technologies, or modifications to existing products, solutions or technologies, could increase our R&D expenses. Any failure to deliver effective results by our products, services and solutions could reduce the demand for our products, services and solutions, result in user dissatisfaction, and adversely affect our business, financial condition, results of operations and prospects.

Changes in the market of our products, services and solutions may affect our pricing models and adversely affect our operating results.

Our pricing models face challenges from evolving market changes. As the market for our products, services and solutions grows, as our competitors introduce new products, services and solutions that compete with ours or reduce their prices, or as we enter into new verticals or international markets, we may be unable to attract new customers or retain existing customers based on our historical pricing models. Given our limited experience with our historical pricing models, we may not be able to accurately predict customer renewal or retention. In addition, regardless of the pricing model used, certain customers may demand higher price discounts. As a result, we may be required to reduce our prices, offer shorter contract durations or offer alternative pricing models, which could adversely affect our revenue, gross margin, profitability, financial position and cash flow.

We face competition from existing or new market players in the industries in which we operate, and we may not compete effectively.

The market of AI infrastructure software in China is competitive and characterized by rapid changes in technology, shifting customer preferences, and frequent introductions of new products, services and solutions. The principal competitive factors in our industry include functionality, scope and performance of products, services and solutions, scalability and reliability of services, technology capabilities, marketing and sales capabilities, user experience, pricing, brand recognition and reputation. In addition, new and enhanced technology may further increase competition in our industry. As such, we face competition in various aspects of our business, and we expect such competition to continue growing in the future, both from current competitors and new market entrants that may be more well-established and enjoy greater resources or other strategic advantages. If we are unable to anticipate or react to these competitive challenges, our competitive position could weaken, or fail to improve, and we could experience growth stagnation or even a decline in revenue, which could materially and adversely affect our business, financial condition and results of operations.

Our competitors may have larger customer bases, stronger brand recognition, more extensive commercial relationships in China, and greater financial, technical, marketing, R&D, and other resources than we do. As a result, such competitors may be able to develop products, services and solutions better received by customers, or may be able to respond more quickly and effectively to new or changing opportunities, technologies, regulations or market demands. In addition, some of our competitors may be able to leverage a larger existing customer base and sales network to adopt more aggressive pricing policies and offer more attractive sales terms. Any of the aforementioned events could cause us to lose potential sales or compel us to sell our products, services and solutions at lower prices to remain competitive, which may have a material adverse effect on our financial condition and results of operations. Furthermore, our current and potential competitors may enter into business partnerships or alliances among themselves or with third parties that may further enhance their resources and offerings. Established companies from other market segments may also expand into our market segment. See "Business — Competition" for factors that affect our ability to compete effectively. If we are unable to compete successfully against our current or potential competitors, our business, financial condition and results of operations could be materially and negatively affected.

If the market for our products, services and solutions fails to grow as we expect, or if our users or potential users fail to adopt our products, services and solutions, our business, operating results, and financial condition could be adversely affected.

It is difficult to predict user adoption rates and demand for our products, services and solutions, the entry of competitive products, services and solutions, or the future growth rate and size of the AI infrastructure software industry. We cannot be sure that the demand for data management, machine learning, analytics platforms and applications and the AI infrastructure software industry in China will continue to grow or, even if they do grow, that businesses will adopt our products, services and solutions. Our future success will depend in large part on our ability to further penetrate the markets where we operate. Our ability to further penetrate such markets depends on a number of factors, including the cost, performance and perceived value associated with our products, services and solutions, as well as users' willingness to adopt our products, services and solutions. We cannot be sure that the expenditures that we spent on educating potential users about AI in general and our products, services and solutions in particular will help our products, services and solutions achieve any additional market acceptance. Furthermore, potential users may be unwilling to invest in novel products, services and solutions. If the market fails to grow or grows slower than we expect or enterprises fail to adopt our products, services and solutions, our business, operating results and financial condition could be adversely affected.

If we fail to continuously develop and innovate our products, services and solutions to meet users' evolving needs, our business, financial condition and results of operations may be materially and adversely affected.

Our business growth relies on our ability to retain existing customers, attract new customers, and increase sales to both new and existing customers, which depends essentially on our ability to provide advanced products, services and solutions that meet enterprise-level users' evolving needs at competitive prices and our continuous improvement and enhancement of the functionality, performance, reliability, design, security and adaptability of our products, services and solutions. However, we may experience difficulties in developing new technologies as it is costly and time-consuming, which in turn could delay or prevent the development, enhancement, introduction or implementation of any new products, services and solutions. Specifically, in order to enhance the performance of our products, services and solutions and improve our AI technological capabilities in the future, we may need to improve our algorithm, data processing efficiency, and real-time responsiveness from time to time as we grow, and may therefore be in need of additional infrastructure, facilities and equipment to support such improvements through capital expenditures or procurement of third-party services. However, we may not always be able to identify such infrastructure, facilities or equipment at acceptable prices and in a timely manner, or at all. If we are unable to do so, our computing power expansion plans could suffer, which would negatively impact our business operations and prospects. Even if we are able to identify such infrastructure, facilities and equipment, it may put a strain on our financial resources and divert the attention of our management. As we have been and will continue expanding our customer base and diversifying end-customer industries that we cover, to the extent we are not able to provide products, services and solutions that meet users' requirements, or we are not able to improve and enhance the functionality, performance, reliability, design, security and adaptability of our products, services and solutions in a manner that responds to users' evolving needs, our existing customers may not spend more on our products, services and solutions and we may not be able to attract new customers. As a result, our business, financial condition and results of operations may be materially and adversely affected.

If our expansion into new verticals is not successful, our business, prospects and growth momentum may be materially and adversely affected.

Expanding into new verticals involves new risks and challenges. Unfamiliarity with new verticals may make it more difficult for us to keep pace with evolving user demands and preferences. In addition, there may be one or more existing market leaders in any vertical that we decide to expand into. Such companies may be able to compete more effectively than us by leveraging their experience in doing business in that vertical as well as their deeper industry insight and greater brand recognition. We could be subject to additional regulatory restrictions that are relevant to these businesses. Expansion into any new vertical may place significant strain on our management and resources, and failure to expand successfully could have a material adverse effect on our business and prospects.

We may not implement our development strategies or manage our growth effectively.

Our future success depends, to a large extent, on our ability to implement our future plans. We intend to, among other things, drive full-stack technology upgrades through "AI × Data" to strengthen our leadership in AI infrastructure software market, expand and enrich product and solution offerings to drive market share growth, expand customer base, deepen strategic partnerships, and strengthen market presence, expand global footprint and increase international market penetration, and pursue selective strategic investments and acquisitions to strengthen market leadership. See "Business — Development Strategies" and "Future Plans and Use of Proceeds" for details. However, our ability to grow and implement our future plans will be subject to a wide range of operational and financial requirements, including, among others, appropriate allocation of capital investments in implementing various plans and adequate human resources. Continuous expansion may increase the complexity of our business, and we may encounter various difficulties. Our failure to implement our growth strategies or manage our growth effectively may hinder our ability to capture new business opportunities and maintain our competitive edge, and therefore, our business, financial condition and results of operations may be materially and adversely affected.

RISKS RELATING TO OUR FINANCIALS

We may not be able to sustain our historical growth rates, and our historical growth may not be indicative of our future growth or financial results.

Our revenue fluctuated during the Track Record Period. Our total revenue decreased by 24.4% RMB490.5 million in 2023 to RMB370.8 million in 2024, and increased by 20.6% to RMB447.1 million in 2025 and by 26.5% from RMB64.2 million in the three months ended March 31, 2025 to RMB81.2 million in the three months ended March 31, 2026. However, there is no assurance that we will be able to maintain our historical growth rates in future periods. Our growth rates may decline for a number of reasons, including China's overall economic growth, the ongoing digitalization of China's economy, technology development of the AI infrastructure software industry, accumulation of AI experts in China, awareness of enterprises to deploy AI applications, our investment in technology innovation and our products, services and solutions, our ability to attract and retain our users, our ability to create value for users with our innovative enterprise AI products, services and solutions, our ability to manage our costs and enhance operating leverage. We cannot assure you that we will be able to effectively manage our growth or implement our business strategies. If the market for our products, services and solutions does not develop as we expect or if we fail to address the needs of this dynamic market, our business, results of operations and financial condition will be materially and adversely affected.

Certain aspects of our business are project-based and its non-recurring nature may result in fluctuations in our revenue and operating results.

A portion of our business involves project-based transactions, such as customized solution projects and technical service engagements. The timing of revenue recognition from such projects depends on factors such as contract signing, project implementation progress and customer acceptance. As these factors may vary among projects and reporting periods, the contribution of project-based revenue may fluctuate over time. In addition, some project-based transactions are non-recurring in nature and depend on specific customer procurement schedules, budgets or technology requirements. Delays in project implementation, changes in customer priorities or postponements of new projects may result in uneven revenue recognition and affect our short-term financial performance. As a result, our revenue and results of operations may experience fluctuations from period to period, and historical performance may not be indicative of future results.

We experienced losses during the Track Record Period, which makes it difficult to evaluate our current business and predict our future performance.

We had a loss from operations of RMB289.2 million, RMB344.3 million, RMB245.2 million, RMB83.7 million and RMB56.0 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. We anticipate that our cost of sales and operating expenses will further increase in the foreseeable future as we continue to grow our business, expand geographically, invest and innovate our technology infrastructure, and further broaden our product and solution offerings. Our revenue, expenses and profitability may vary from period to period due to various factors beyond our control, including the general economic growth, development of AI infrastructure software industry, changes in laws, regulations and rules applicable to us, the expansion and performances of our existing business, our ability to control cost, competitive landscape and customer preference. As such, it is difficult to evaluate our current business and predict our future performance. Our ability to create, design, develop, manufacture, and deliver our products, services and solutions of high quality on schedule and on a large scale is subject to uncertainty, which may make it more difficult for us to forecast and plan for our capital requirements. Accordingly, investors should not rely on our historical results as an indication of our future financial or operating performance. If we are unable to manage our growth or execute our business strategies effectively, our results of operations and business prospects may be materially and adversely affected.

We are investing heavily in our R&D, and such investment may negatively impact our profitability in the short term and may not generate the results we expect to achieve.

Our technological capabilities and infrastructure are critical to our success. We have been investing heavily in our R&D efforts. Our R&D expenses amounted to RMB223.1 million, RMB227.3 million, RMB204.1 million, RMB48.8 million and RMB46.2 million, representing 45.5%, 61.3%, 45.6%, 75.9% and 56.8% of our total revenues in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. The industries in which we operate are subject to rapid technological changes and are evolving quickly in terms of technological innovation. We need to invest significant resources, including financial resources, in R&D to lead technological advancement in order to make our products, services and solutions innovative and competitive in the market. As a result, we expect that our R&D expenses will continue to increase in absolute amount. We have incurred losses in the past and may not be able to achieve or subsequently maintain profitability, partially due to the significant investment in R&D. Furthermore, R&D activities are inherently uncertain, and we might encounter practical difficulties in commercializing our R&D results. Our significant R&D expenses may not generate corresponding benefits.

In addition, during the Track Record Period, we capitalized R&D expenditures that met the relevant criteria for recognition as intangible assets, including the technical feasibility and the likelihood of generating future economic benefits. If the associated projects are successfully commercialized, such expenditures are amortized over the useful life of the resulting intangible assets, which may reduce our future profits. If the projects fail or the assets are not recoverable, we may incur impairment losses, which could adversely affect our financial performance.

If we are not able to control our staff costs in an effective manner, our business, financial condition and results of operations may be adversely affected.

There has been inflation and increased labor costs in China, particularly in large cities such as Shanghai. In addition, we are required by PRC laws and regulations to pay various statutory employee benefits, including pensions, housing provident fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. Any labor shortage or attrition may significantly disrupt our business operations or delay our expansion plan. We may have difficulties in hiring or retaining sufficient and qualified employees. In addition, average wages in China are expected to continue to rise, which we anticipate will have an upward pressure on our labor costs and employee salaries and benefits, which in turn will negatively affect our profit margins. Any failure to attract qualified employees at reasonable cost and in a timely manner, and any future disputes with our employees may materially and adversely affect our business, financial condition and results of operations.

Our results of operations are subject to fluctuations due to the seasonality of our business.

Our results of operations historically have been seasonal because our end customers engaging in finance, government, telecommunications, energy, and manufacturing fields typically adhere to strict budget management systems. We typically provide our products, services and solutions on a project-by-project basis, with delivery and acceptance of these projects typically occurring in the fourth quarters. This seasonality primarily reflects the procurement and budget management cycles of our major customers, who generally begin their procurement budget planning for the following year in the fourth quarter of the current year, followed by project initiation, implementation, and final acceptance and settlement which is typically completed by the end of the following year. Therefore, we typically generate a significant portion of revenue in the third and fourth quarter of a particular calendar year, while our expenses are relatively evenly distributed throughout the calendar year, the profitability of the first three quarters may differ significantly from the full-year profitability.

In addition, our operating costs may increase in future periods as we continue to invest in product development, expand our production capacity, strengthen our sales and marketing efforts, and scale up our administrative functions to support business growth. Many of these expenses are incurred based on projected business volume and may not be in line with the actual revenue increase. As a result, period-to-period comparisons of our results of operations may not be indicative of our future performance. Our financial condition and results of operations could be materially and adversely affected if we fail to align our cost structure or resource planning with actual customer demand.

We had net operating cash outflows during the Track Record Period.

We recorded net cash outflows from operating activities in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, reflecting our substantial investment in R&D, and working capital requirements. Our ability to generate positive operating cash flow in the future depends on a variety of factors, including our revenue growth, product and consulting service pricing, trade receivables turnover, and the overall macroeconomic environment. Our liquidity and cash flow may also be affected by fluctuations in our collection of receivables, the timing and scale of customer orders, changes in payment cycles with suppliers, and debt repayment obligations. If we are unable to manage these factors effectively, or if our operations fail to achieve sustained profitability and positive cash flow, we may need to obtain additional funding through equity, equity-linked or debt financing. There can be no assurance, however, that such financing will be available on terms favorable to us, or at all. If we are unable to manage our cash flow or secure adequate financing, our business, financial condition and results of operations may be materially and adversely affected.

We may be exposed to credit risk arising from our trade and bills receivables and timing differences between receipts and payments may lead to cashflow mismatches.

During the Track Record Period, our trade and bills receivables primarily represent receivables from customers for sales of our products, services and solutions. As of December 31, 2023, 2024, 2025 and March 31, 2026, our trade and bills receivables (less allowance for credit losses) amounted to RMB377.4 million, RMB337.4 million, RMB265.4 million, and RMB259.0 million, respectively. The credit period granted to our customers was generally 30 days to one year. Our trade receivables turnover days were 229 days, 350 days, 243 days, and 287 days in 2023, 2024, 2025, and the three months ended March 31, 2026. The relatively long receivable turnover days primarily reflect the milestone-based procurement, inspection and acceptance procedures of our major customers, including large enterprises and government institutions, as well as the seasonality of our business, in which a substantial portion of our revenue is recognized in the fourth quarter following customer acceptance. These characteristics may result in timing differences between billing, acceptance and collection.

In contrast, a significant portion of our cost of sales comprises staff costs that are settled monthly, resulting in shorter trade payable turnover days and potential cashflow mismatches. As a result, our operating cashflow may fluctuate from period to period, and we may experience temporary working capital pressure. Failure to collect our trade and bills receivables in a timely manner or at all, or a material deterioration in customers' payment performance, could adversely affect our working capital, liquidity, financial condition and results of operations. See "Financial Information — Discussion of Selected Items from Consolidated Statements of Financial Position — Trade and Bills Receivables" in this prospectus.

We are subject to risks associated with our prolonged cash conversion cycle, which may adversely affect our liquidity, working capital, financial position and results of operations.

We recorded credit loss allowances of RMB36.4 million, RMB47.0 million, RMB83.0 million and RMB80.3 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively, representing approximately 8.8%, 12.2%, 23.8% and 23.7% of our trade and bills receivables as of the same dates. During the Track Record Period, we experienced a prolonged cash conversion cycle primarily due to the nature of our business model, customer profile and project delivery and settlement cycle. Our customers are primarily large enterprises, state-owned enterprises and government institutions, which typically adopt milestone-based procurement, inspection, acceptance and payment procedures and generally have longer internal approval and payment cycles. In addition, a substantial portion of our revenue is recognized in the fourth quarter following customer acceptance, while delays may occur between project delivery, customer acceptance, billing and ultimate cash collection. Adverse macroeconomic conditions may also affect our customers' payment schedules and further delay collections. At the same time, a significant portion of our operating expenses and cost of sales, such as staff costs, research and development expenses and certain operating expenses, are incurred and settled on a more regular basis. In addition, for certain comprehensive software and services projects, we may incur upfront implementation, deployment and procurement costs before collecting payments from customers. These factors may result in increased working capital requirements and temporary liquidity pressure.

A prolonged cash conversion cycle may adversely affect our operating cashflow and liquidity position and may require us to rely on existing cash reserves, bank borrowings or other external financing to fund our operations and growth. If we are unable to maintain sufficient liquidity or obtain financing on acceptable terms or in a timely manner, our business expansion plans, operations and financial condition may be materially and adversely affected. In addition, if project implementation, customer acceptance or payment collection is delayed, or if our customers' payment performance deteriorates, our cash conversion cycle may further lengthen and our working capital pressure may increase. We have taken and may continue to take measures to improve our cash conversion cycle and strengthen our working capital management. However, such measures may not be effective or sufficient to improve our cash conversion cycle or mitigate the associated risks. If our cash conversion cycle remains prolonged or further deteriorates in the future, our liquidity, financial position and results of operations may be materially and adversely affected.

If our customers' payment performance deteriorates, we may be required to recognize additional ECL allowances, which may adversely affect our results of operations and financial position. Although ECL allowances are non-cash in nature, any delay in or failure of collection would reduce our operating cash inflows and increase our working capital requirements, which could accelerate the depletion of our cash resources and result in a higher cash burn rate.

We are exposed to changes in the fair value of our financial assets, especially with respect to fair value measurements for certain of our financial assets that involve the use of unobservable inputs.

Our results of operations are affected by changes in the fair value of our financial assets. As of December 31, 2023, 2024, 2025 and the three months ended March 31, 2026, our financial assets at FVTPL were RMB607.2 million, RMB91.7 million, RMB93.9 million and RMB90.5 million, respectively. In 2023, 2024, 2025 and the three months ended March 31, 2026, the amount of gain on changes in fair value of financial assets at FVTPL recognized was RMB25.8 million, RMB13.7 million, RMB9.1 million and RMB3.9 million, respectively. There can be no assurance that we will recognize fair value gains from financial assets in the future. Furthermore, our financial assets include structured deposits and investment in a money market fund, which were issued by licensed financial institutions with unguaranteed return of principal. As such, we are subject to credit risk arising from such structured deposits and investment in a money market fund. Fair value measurements for unlisted fund investments are categorized into Level 3, which involve the use of unobservable inputs. As a result, Level 3 fair value measurements require us to apply significant estimates and assumptions with respect to the relevant financial assets.

If we cannot fulfill our obligations in respect of contract liabilities, the amount of fee collecting from customers and our liquidity position may be adversely impacted.

As of December 31, 2023, 2024 and 2025 and March 31, 2026, we had contract liabilities of RMB38.5 million, RMB62.6 million, RMB57.3 million and RMB55.6 million, respectively. Our contract liabilities mainly arise from the advance payments made by customers while the underlying products and/or consulting services are yet to be provided. If we cannot fulfill our obligations under these contracts, the amount of fee collecting from customers and our liquidity position may be adversely impacted.

Grants of share-based awards under our stock incentive plans may increase our share-based compensation expenses and negatively impact our future profitability.

We have established various employee shareholding platforms and share incentive plans to grant awards to our employees and other designated persons for the purpose of attracting and retaining suitable personnel to enhance our development. For details, please refer to "History, Development and Corporate Structure — Employee Incentive Schemes," "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme" and Note 38 to the Accountants' Report as set out in Appendix I to this prospectus. We incurred share-based payment expenses of RMB20.3 million, reversal of RMB1.1 million, nil and nil in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. We believe share-based awards as part of an overall compensation package are important to attracting and retaining key personnel and employees, and we plan to continue to grant share-based compensation to employees in the future. As a result, our share-based payment expenses may increase, which may have an adverse effect on our results of operations and financial condition and dilute your shareholding.

Preferential tax treatment and government grants currently available to us in the PRC could be discontinued or reduced.

Our Company and certain of our subsidiaries operating in PRC were qualified as high and new technology enterprise and was entitled to a preferential income tax rate of 15% during the Track Record Period. Furthermore, we were entitled to claim R&D expenses incurred as tax deductible expenses when determining our assessable profits during the Track Record Period. In addition, pursuant to relevant laws and regulations in the PRC, several subsidiaries are eligible as a small low-profit enterprise and benefit from a preferential tax rate of 20% under the EIT Law. We cannot assure you that we will continue to qualify for such preferential tax treatments and government grants, or that the policies providing for the preferential tax treatments and government grants will continue to be effective. If we fail to provide requisite materials retained for future reference, we will not be entitled to enjoy the preferential tax treatments, as well as other benefits conferred under the accreditations. If we were not entitled to preferential tax treatments in the future, our effective tax rate may increase to 25%, and our income tax expense would increase accordingly, which will adversely affect our net profit.

Our investments or acquisitions may have a material adverse effect on our business, reputation, financial condition and results of operations.

As part of our business strategy, we may pursue investment and acquisition opportunities to enhance our market position, which involve inherent risks and uncertainties. These include challenges in integrating acquired businesses, personnel, technologies, brands and operations; potential deficiencies in internal controls, financial reporting or compliance of target companies; diversion of management attention and disruption to our existing operations; loss of key employees or customer relationships; limited control over minority investments; exposure to new regulatory and compliance requirements, including anti-monopoly and competition laws; potential liabilities, including undisclosed or historical misconduct of acquired entities; and valuation risks, including the risk of overpaying for target companies or assets or incurring impairment losses or write-downs if such investments do not perform as expected.

We may incur significant costs associated with identifying, executing and financing such transactions, including the use of cash or dilutive equity issuances. There is no assurance that we will be able to realize the anticipated benefits of such acquisitions or investments, including expected synergies, revenue growth, cost savings, operational efficiencies or other strategic objectives, within the expected timeframe or at all. In addition, proposed transactions may not be completed as expected, and acquired businesses may not perform as expected or may adversely affect our existing brand and reputation. If any acquisition or investment fails to achieve its intended objectives, or if the integration process is more costly or time-consuming than expected, our business, reputation, financial condition and results of operations may be materially and adversely affected.

We may need to raise additional capital in the future in order to execute our business plan, which may not be available on acceptable terms, or at all.

We may need additional capital in the future to fund our business operations, and we may be unable to raise additional funds, whether through equity or debt financing, when needed on favorable terms or at all. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing shareholders, including investors in this offering, will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our shareholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies.

RISKS RELATING TO OUR OPERATIONS

Our business depends substantially on continuing efforts of our senior management and other key personnel, as well as a competent pool of talents who support our existing operations and future growth. If we are unable to retain, attract, recruit and train such personnel, our business may be materially and adversely affected.

Our future success depends heavily on continuing efforts of our senior management, many of whom are difficult to replace. In particular, we rely on the expertise, experience and vision of our senior management, as well as other members of our senior management team. We normally enter into a non-fixed term employment contract with our senior management members. If any of our senior management becomes unable or unwilling to continue to contribute their services to us, we may not be able to replace them easily, or at all. As a result, our business may be severely disrupted, and our financial condition and results of operations may be materially and adversely affected.

Additionally, our future success also depends on our ability to attract, recruit and train a large number of qualified employees and retain existing key employees. In particular, we rely on our top-notch R&D team to develop our advanced technologies, products, services and solutions, and our experienced sales personnel to maintain relationships with our customers. In order to compete for talents, we may need to offer higher compensation, better training and more attractive career opportunities and other benefits to our employees, which may be costly and burdensome. We cannot assure you that we will be able to attract or retain qualified workforce necessary to support our future growth. Furthermore, any disputes between us and our employees or any labor-related regulatory or legal proceedings may divert management and financial resources, negatively impact staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. In addition, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Any of the above issues related to our workforce may materially and adversely affect our operations and future growth.

Disruptions or failures in our information technology systems could adversely affect our operations.

We rely on our information technology systems to support key business functions, including product R&D and internal operations. Any system failure, security breach, data loss, or operational disruption could impair our ability to deliver products on time, manage resources efficiently, or support customer needs. As we continue to grow, we may need to upgrade or expand our IT infrastructure, and there is no assurance that such upgrades will be completed on time or without disruption. If we fail to maintain stable, secure, and efficient IT systems, our business operations, financial condition, and results of operations could be materially and adversely affected.

Our business operations could be harmed by real or perceived material defects or errors in our products, services and solutions.

The technology underlying our AI products, services and solutions is inherently complex and may contain material defects or errors, particularly when new products, services and solutions are first introduced, when new features or capabilities are released or when integrated with new or updated third-party hardware or software. There can be no assurance that our existing AI products, services and solutions will not contain defects or errors. Any real or perceived errors, failures, vulnerabilities, or bugs in our AI products, services and solutions could result in negative publicity or lead to performance issues, all of which could harm our business. Correcting such defects or errors may be costly and time consuming. Moreover, the harm to our reputation and legal liability related to such real or perceived defects or errors may be substantial and would harm our business.

We are subject to privacy, data protection, cybersecurity and system security risks, and any unauthorized access to or improper handling of our confidential information that could adversely affect our operations and reputation.

We rely on various internal systems to support our business, including systems used in product development and operations. Any cybersecurity incident, such as unauthorized access, data breach, system failure, or malicious attack, could disrupt our operations, compromise our proprietary information or trade secrets, and result in financial loss or reputational harm. Cybersecurity threats continue to evolve and may not be fully preventable. If our systems or those of our suppliers or vendors are compromised, our ability to manufacture, deliver, or support our products could be adversely affected. Any significant cyber incident could materially impact our business, results of operations, and financial condition.

We may be subject to risks associated with the suspension of our qualification to participate in certain military logistics procurement activities.

On May 9, 2026, NUDT issued a notice suspending our Company, Mr. Sun in his capacity as our legal representative, and Mr. Long Zhenyu ("Mr. Long", a former authorized representative of the bid who left the Company in November 2021), concerning suspected bid rigging in a project which we submitted tender in 2021 (the "**Bidding Incident**"). Subsequently, in August 2026, our Company received the final decision (the "**Decision**") from NUDT following its investigation of the Bidding Incident, pursuant to the Decision, from 9 May 2026 to 9 May 2027, our Company and entities controlled or managed by Mr. Sun are prohibited from participating in such activities, and Mr. Long is prohibited from acting as a representative for suppliers in such activities (the "**Suspension**"). To the best of our knowledge based on our investigation, the matter arose from the unauthorized personal conduct of a former sales employee, who had, without our knowledge, authorization or approval and in deliberate circumvention of our internal controls, provided our bidding materials to a third party, which had used such materials for non-compliant bidding purposes. None of our Directors or senior management, including Mr. Sun, was aware of, involved in, or had instructed or authorized such conduct.

Assuming the Suspension had been in effect throughout the Track Record Period, the revenue attributable to projects that would have fallen within its scope would have represented only approximately 0.04%, 0.05%, 0.38% and nil of our total revenue for 2023, 2024, 2025 and the three months ended March 31, 2026, respectively; however, there is no assurance that the actual impact of the Suspension, will be limited to a similar extent, or that our reputation, customer relationships or ability to secure future military procurement contracts will not otherwise be adversely affected.

If we are unable to manage the risks related to our expansion in international markets, which involves various technical and regulatory risks and uncertainties, our business, financial results and prospects may be adversely impacted.

As we expand overseas, we may need to devote significant resources and management attention and face risks different from those in the PRC, including the need to localize our products and services, challenges in establishing and managing foreign operations, longer sales and collection cycles, and difficulties in commercializing our offerings in unfamiliar markets with limited infrastructure. We may also encounter intensified competition, economic and political uncertainties, foreign exchange fluctuations, and differences in customer pricing expectations, competitive dynamics and cost structures in new markets. These differences may require us to adjust our pricing strategies, incur higher localization, compliance, marketing, personnel or partner-related costs, or result in lower margins than in the PRC market. To mitigate the risks arising from foreign exchange fluctuations in the future, we may adopt various measures based on specific future conditions in overseas markets, including entering into additional forward exchange contracts or foreign exchange option contracts when necessary. We may also face compliance challenges arising from complex and evolving legal and regulatory regimes, including those relating to data protection, employment, tax and telecommunications, as well as potential difficulties in obtaining required licenses and protecting or enforcing our intellectual property rights.

In particular, certain of our target markets, including the Middle East, may be subject to heightened geopolitical tensions, armed conflicts or regional instability. Ongoing or potential military conflicts and geopolitical developments involving countries in the Middle East may result in disruptions to regional economic conditions, deterioration in investment and business sentiment, volatility in currency and capital markets, and potential interruptions to our business operations, supply chains or customer demand. Such developments may also lead to changes in government policies, trade restrictions, sanctions or regulatory requirements, which could increase our compliance costs and limit our ability to conduct business or expand in these markets. In addition, geopolitical instability may affect our ability to maintain relationships with local partners and customers, or to execute and deliver projects in a timely manner.

In addition, we may face increased operational and financial reporting complexities. If we fail to manage these risks effectively, our international expansion efforts may not succeed or achieve profitability, which could materially and adversely affect our business, financial condition and prospects.

Our sales cycles can be lengthy and unpredictable, and our sales efforts require considerable time and expense.

Due to the complexity of the AI products, services and solutions we offer and the nature of our target customers, our sales process typically involves multiple stages, including user engagement, project evaluation and design, proof of concept and contract negotiation, often requiring significant time, effort and upfront costs. This is particularly the case for large enterprises and public institutions, which generally have more complex requirements, longer decision-making and procurement processes, and greater bargaining power, and may initially adopt our offerings on a limited basis without assurance of broader deployment. In addition, our sales efforts often involve educating potential customers and competing with alternative solutions, further extending the sales cycle. As a result, the timing and likelihood of converting opportunities into revenue are uncertain, and we may incur substantial costs without generating corresponding sales, which could materially and adversely affect our business, financial condition and results of operations.

We depend on third party business partners in our business operations. Such arrangements reduce our control over the quality, development, and deployment of our products and solutions and could harm our business.

We engage third parties in our business operations. We procure certain software and hardware components from third party vendors. We collaborate with third parties to conduct certain R&D projects and procure deployment services from third party vendors. Such arrangements may reduce our direct control over the quality, development and deployment of our products and solutions. We may experience operational difficulties with our third party vendors, including reductions in the availability of production capacity, failures to comply with product specifications, insufficient quality control and failures to meet deployment schedules. Our third party vendors may experience disruptions in their operations due to equipment breakdowns, labor strikes or shortages, natural disasters, material shortages, cost increases, environmental noncompliance issues or other similar problems. In addition, we may not be able to renew contracts with our third party vendors or identify substitute partners. Furthermore, we rely on third-party channel partners for marketing, branding and sales of our products, services and solutions, supplementing the efforts of our internal sales and marketing team. Any failure of our third party business partners to perform their responsibilities or to be in compliance with all applicable laws and regulations may have a material negative impact on our business.

Our use of open-source software could impose limitations on our business operations, and certain software we use leverages open-source codes, which, under certain circumstances, may lead to unintended consequences and, therefore, could materially and adversely affect our business, results of operations and financial condition.

We incorporate open-source components into certain of our technologies and may continue to do so, which exposes us to risks associated with the interpretation and enforcement of open-source license terms. In particular, we may face claims alleging non-compliance with such licenses, which could require us to disclose our source code, obtain additional licenses, re-engineer our software or discontinue certain offerings, and may also result in disputes or litigation. In addition, as open-source software can be freely modified and used by third parties, including competitors, it may reduce the differentiation or competitiveness of our products and increase development costs. If we are unable to effectively manage these risks, our business, results of operations and financial condition could be materially and adversely affected.

Rumors or negative publicity involving our Company, our products, services and solutions, our management, our customers, our business partners or our industry in general may materially and adversely affect our reputation, business, results of operations and growth prospects.

Negative publicity involving our industry, our Company, our products, services and solutions, our management, our customers or our business partners in the future may also materially and adversely harm our business and reputation. We cannot preclude media reports of a similar nature or similar allegations from other parties from being made in the future, nor can we assure you that we will be able to defuse such negative publicity to the satisfaction of our investors, customers and business partners or prevent related misconception and other damages caused by such reports. We may have to incur significant expenses and divert our management's time and attention in order to remedy the effects of these negative reports or allegations, which may materially and adversely affect our results of operations.

Any failure to offer high-quality maintenance services and technical support may harm our relationships with our customers and/or end users and thus materially and adversely affect our business and results of operations.

Our ability to retain and expand our customer base depends not only on the performance of our products, services and solutions but also on our ability to deliver effective and scalable after-sales support. As our business grows, we may incur increased costs in maintaining service quality, face challenges in recruiting and retaining qualified support personnel, or be unable to respond promptly to rising or fluctuating demand. In addition, changes to our service policies or failure to align our support offerings with customer expectations or competitive standards may lead to customer dissatisfaction, reduced margins, or loss of business opportunities. Any negative customer experience or related publicity could further impair our reputation and ability to attract or retain customers, which could materially and adversely affect our business and results of operations.

Our brands are integral to our success. If we fail to effectively maintain, promote and enhance our brands, our business and competitive advantages may be harmed.

Our brands are integral to our success, and any failure to effectively maintain, promote or enhance our key brands, including "Transwarp" and "Transwarp Technology," could harm our business and competitive position. Our ability to strengthen brand recognition depends on our continued delivery of high-quality, reliable and innovative AI products, services and solutions, as well as the effectiveness of our marketing and sales efforts, including through direct sales, channel partners and customer referrals. As competition intensifies, we may incur significant marketing and promotional expenses without assurance that such efforts will generate sufficient returns or enhance our brand value. If we are unable to sustain or improve the recognition and reputation of our brands, our ability to attract and retain customers may be adversely affected, which could materially and adversely impact our business and results of operations.

If we are unable to ensure compatibility of our products with a variety of hardware and software platforms and software applications developed by others, including our partners, we may become less competitive and our results of operations may be harmed.

Our products may be integrated with a variety of hardware and software platforms and software applications, and we need to modify and enhance our products to adapt to changes in hardware and software technologies in a timely and cost-effective manner. Compatibility of our products and hardware and software developed by others is critical to the performance of our products. Failure to ensure compatibility of our products may negatively affect our competitive edge, and our business results of operations and financial condition would be harmed.

Failure to renew our current leases or locate desirable alternatives for our leased properties could materially and adversely affect our business.

We lease properties for our offices and R&D facilities. There is no assurance that we will be able to extend or renew our leases upon expiration of the current term on commercially reasonable terms or at all, and our rights to use these leased properties may be negatively affected by prior encumbrances on these properties. In any such events, we may be forced to relocate our affected operations. This could disrupt our operations and result in significant relocation expenses. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, rental payments may significantly increase as a result of the high demand for the leased properties. In addition, we may not be able to locate desirable alternative sites for our current leased properties as our business continues to grow and failure in relocating our affected operations could adversely affect our business and operations.

Our business is subject to the risks of earthquakes, fire, floods and other natural catastrophic events, interruptions by man-made problems or other events beyond our control that may jeopardize the outcome of our operations.

Our business is subject to risks from natural disasters, such as earthquakes, fires, floods and pandemics, as well as man-made events, including power outages, network security breaches, computer viruses, terrorism or other disruptions beyond our control, any of which could materially and adversely affect our operations, financial condition and results of operations. Such events may disrupt our facilities, information technology systems or communications, or those of our customers and suppliers, leading to interruptions in our operations, delays in research and development, or reduced ability of customers to use our products, services and solutions. In addition, large-scale disruptions could negatively impact broader economic conditions, further affecting our business. Any significant interruption to our systems or operations could result in operational delays, reputational harm and financial losses, which could materially and adversely affect our business and results of operations.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We do not maintain certain types of insurance, including business interruption and product liability insurance, and may not be able to obtain such coverage on commercially reasonable terms. As a result, we may be exposed to risks arising from business disruptions, defects or failures in our products or services, or other liabilities for which we are uninsured or underinsured. Any such claims, whether or not meritorious, could harm our reputation, disrupt our operations, reduce customer confidence and require us to use our own funds to satisfy liabilities, which could adversely affect our business and results of operations.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY

Despite the actions we are taking to defend and protect our intellectual property, we may not be able to adequately protect or enforce our intellectual property rights or prevent unauthorized parties from copying or reverse engineering our products, services and solutions and such efforts to defend and protect our intellectual property may be costly.

The success of our products and our business depends in part on our ability to obtain patents and other intellectual property rights and maintain adequate legal protection for our products in the PRC and other jurisdictions. We rely on a combination of patent, service mark, trademark, copyright and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights, and yet all of which provide only limited protection.

We cannot assure you that any patents will be issued with respect to our currently pending patent applications in a manner that gives us adequate defensive protection or competitive advantages, if at all, or that any patents issued to us will not be challenged, invalidated or circumvented. We have filed for patents primarily in the jurisdiction of the PRC, but such protections may not be available in all countries in which we operate, or seek to operate, or in which we seek to enforce our intellectual property rights. Our currently issued patents and any patents that may be issued or registered in the future may not provide sufficiently broad protection or may not prove to be enforceable in actions against alleged infringers. We cannot be certain that the steps we have taken will prevent unauthorized use of our technology or the reverse engineering of our technology. The confidentiality procedures and contractual restrictions implemented by us may not be sufficient or effective. Moreover, others may independently develop technologies that are competitive to us or infringe our intellectual property.

Protecting against the unauthorized use of our intellectual property and other proprietary technology is expensive and difficult, particularly internationally. Our patents and proprietary technologies are the foundations of our proprietary products, services and solutions and we intend to capitalize on our industry-leading patent portfolio as we continue to grow. Unauthorized parties may attempt to copy or reverse engineer our technologies or certain aspects of our products, services and solutions that we consider proprietary. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to prevent unauthorized parties from copying or reverse engineering our products, services and solutions, to determine the validity and scope of the proprietary rights of others or to block infringing products in the PRC. Any such litigation, whether initiated by us or a third party, could result in substantial costs and diversion of management resources, either of which could adversely affect our business, operating results and financial condition. Even if we obtain favorable outcomes in litigation, we may not be able to obtain adequate remedies.

Third-party claims against us in relation to infringement of intellectual property rights, whether successful or not, could subject us to costly and time-consuming litigation or expensive licenses, and our business could be adversely affected.

From time to time, we may be subject to intellectual property disputes or litigation based on allegations of infringement, misappropriation, or other violations of intellectual property rights or other rights. As we face increasing competition and gain an increasingly high profile, the possibility of intellectual property rights claims, commercial claims and other assertions against us grows. Additionally, competitors in our industry and companies outside our industry also hold large numbers of patents that cover aspects of our products, which may increase our exposure to litigation based on allegations of patent infringement or other violations of intellectual property rights.

We may from time to time in the future become, a party to litigation and disputes related to intellectual property, our business practices, and our products. Even if we prevail in any litigation or enforcement proceeding against us, we could incur significant legal expenses defending against the claims, even those without merit. Moreover, because even claims without merit can damage our reputation or raise concerns among our clients, we may feel compelled to settle claims at a significant cost. Furthermore, the results of any such litigation, investigations and legal proceedings are inherently unpredictable and may be costly. Therefore, any claims against us, whether meritorious or not, could be time-consuming, costly, and harmful to our reputation, and could divert management's attention and require significant amounts of corporate resources. Moreover, we have pledged and may further pledge some of our intellectual properties to third parties as collateral to secure our obligations under certain loan agreements, which may limit our ability to use or dispose of such intellectual properties. If we fail to fulfill our obligations under such agreements, the pledgee has right to dispose of such intellectual property we own. In such circumstances, our ownership of the pledged intellectual property may be affected.

Trademarks registered, internet search engine keywords purchased and domain names registered by third parties that are similar to our trademarks, brands or websites could cause confusion to our customers, divert customers away from our products, services and solutions or harm our reputation.

Competitors and other third parties may register trademarks or purchase internet search engine keywords or domain names that are similar to ours, in order to divert potential customers from our platforms to theirs. Preventing such unfair competition activities is inherently difficult. If we are unable to prevent such activities, competitors and other third parties may drive potential customers away from our platforms, which could harm our reputation and materially and adversely affect our results of operations.

RISKS RELATING TO GENERAL ECONOMIC CONDITION

Adverse conditions in the AI infrastructure software industry or the global economy could have adverse effects on our results of operations.

While we make our strategic plans based on the assumption that the markets we are targeting will grow, our business is dependent in large part on, and directly affected by, business cycles and other factors affecting the global AI infrastructure software industry and global economy. In addition, the sales of our products, services and solutions can be affected by the ability of our customers to continue operating in response to challenging economic conditions, labor relations issues, regulatory requirements, trade agreements and other factors. Any significant adverse change in any of these factors may result in a reduction in the sales of our products, services and solutions and could have a material adverse effect on our business, results of operations and financial condition.

Downturns or volatility in general economic conditions could have a material adverse effect on our business, financial condition, results of operations and liquidity.

Our sales and profitability depend significantly on the general economic conditions and the demand for our products, services and solutions, such as AI infrastructure software, in the markets in which our customers compete. Weaknesses in the economy and financial markets can lead to lower demand in our target industry or markets. Economic uncertainty affects businesses such as ours in a number of ways, making it difficult to accurately forecast and plan our future business activities. A decline in end-user demand can affect the demand of the customers for our products, services and solutions, and the tightening of credit in financial markets may lead consumers and businesses to postpone spending, either of which may cause our customers to cancel, decrease or delay their existing and future orders with us.

We may not accurately assess the impact of changing market and economic conditions on our business and operations. Any adverse changes in economic conditions, including any recession, economic slowdown or disruption of credit markets, may also lead to lower demand for our products, services and solutions. In addition, financial difficulties experienced by our suppliers could result in product delays, increased breaches of contracts and inventory challenges. All these factors related to global economic conditions, which are beyond our control, could adversely impact our business, financial condition, results of operations and liquidity.

RISKS RELATING TO OUR LEGAL COMPLIANCE

We are required to obtain and maintain approvals, licenses or permits for our business operation.

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain various approvals, licenses, permits and certifications in order to operate our business. For more information, see "Business — Licenses and Permits." Complying with such laws and regulations may require substantial expense and may impose a significant burden. Furthermore, the regulatory requirements of certain sectors are relatively new and continuously evolving. Therefore, we may need to obtain additional approvals, permits, licenses and certifications to comply with any new laws and regulations or refined interpretations and applications of existing ones, which may be costly and time-consuming.

Changes in AI infrastructure software related regulations may cast significant uncertainties on our operations and financial prospects.

The AI infrastructure software industry in China is evolving and we may experience strengthened regulatory environment along with rapid industry evolution. Our business may be subject to extensive regulation governing the industry. Government authorities in the PRC may continue to issue new laws, rules and regulations governing the industry in which we operate in the PRC. See "Regulatory Overview — Regulations on Artificial Intelligence Services" for more information. There can be no assurance that the PRC government authorities will not require us to change or deregistration formalities of algorithms for other reasons. The interpretation and implementation of existing measures are evolving and the PRC regulatory agencies, including the CAC, may further adopt new laws, regulations, rules, or detailed implementation and interpretation related to the above-mentioned measures, which may negatively affect us.

While we believe increasing AI infrastructure software standards will present a market opportunity for our products, services and solutions, such regulations are subject to changes based on a number of factors that are out of our control, including new technologies, adverse publicity regarding AI, accidents involving our products, domestic and foreign political situations, and litigation relating to our products, services and solutions and our competitors' products, services and solutions. Changes in government regulations, as well as changes or evolution in court interpretation of those regulations, especially with respect to the AI infrastructure software industry could adversely affect our business.

We may be subject to complex and evolving laws and regulations regarding privacy and data protection.

In recent years, government authorities across the world have been increasingly focusing on privacy and data protection. Particularly in China, the substantial base of our business operations, the PRC government has enacted a series of laws and regulations on the protection of personal information in the past few years. We may be subject to laws and regulations regarding privacy and data protection in China and other areas and jurisdictions. In addition, as our users expand their footprints globally, they may leverage our solutions in other countries or territories outside China and are thus required to comply with laws and regulations regarding privacy and data protection in such jurisdictions. As a result, we may be required to upgrade our solutions to help them comply with such laws and regulations.

The laws and regulations regarding privacy and data protection in China, as well as in other jurisdictions, are generally complex and evolving, with uncertainty as to the interpretation and application thereof. On December 28, 2021, the CAC, and 12 other relevant PRC government authorities published the amended Cybersecurity Review Measures, which became effective on February 15, 2022. See "Regulatory Overview — Laws and Regulations on Cybersecurity, Data Security and Privacy Protection — Laws and Regulations on Cybersecurity" for more information. We may be subject to the cybersecurity review in the future or additional compliance requirements. In addition, it is possible that we may become subject to additional or new laws and regulations in this regard, particularly to cybersecurity and protection laws in other jurisdiction if we extend our business outside of the PRC in the future, which may result in additional expenses to us and subject us to potential liability and negative publicity.

On September 30, 2024, the State Council published the Administration Regulations on Network Data Security (《網絡數據安全管理條例》) (the "**Data Security Regulations**"), which provides that network data processors conduct network data processing activities that affect or may possibly affect national security must conduct national security review in accordance with relevant laws and regulations. The Data Security Regulations provide no further explanation or interpretation as to how to determine what constitutes "affecting national security." As such, there remain uncertainties of interpretation, application and enforcement of the evolving relevant laws and regulations, and future regulatory changes may impose additional restrictions. These and other similar legal and regulatory developments could lead to legal and economic uncertainties, affect how we design our IT systems, how we operate our business, how we and our business partners process data, which could negatively impact demand for our consulting services.

We may incur substantial costs to comply with such laws and regulations, to meet the demands of our users relating to their own compliance with applicable laws and regulations and to establish and maintain internal compliance policies.

We may be subject to the risks associated with international trade policies, export controls and economic sanctions, geopolitics and trade protection measures such as unreasonable tariff arrangements.

We may be subject to risks associated with international trade regulations and geopolitical developments. For example, recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, sanctions, and export controls and other restrictive measures targeting high-technology goods, including in the industry in which we operate. These policies have introduced uncertainties to global supply chains, limited access to critical raw materials and components, and increased production and compliance costs for companies operating in affected industries.

The U.S. and other jurisdictions or organizations, including the EU and the UN, through executive orders, legislations or other governmental means, have implemented measures that impose economic sanctions targeting certain countries or regions or specific industry sectors, groups of companies or persons and/or organizations within such countries or regions. During the Track Record Period, the Group did not sell any item that is subject to the U.S. export control. That said, U.S. export controls targeting China continue to escalate due to rising geopolitical tensions. For example, the U.S. has recently strengthened export control and economic sanctions on China, including adding certain PRC entities or individuals onto its "Entity List" and other sanctioned and restricted party lists that limit their access to certain U.S.-origin goods, software, and technologies, items that contain certain portions of U.S.-origin goods, software or technologies, and foreign direct products of certain U.S.-origin software, technologies or equipment. As such, we may face increasing risks and compliance costs with regard to U.S. export controls.

Furthermore, 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. Our business and reputation could be adversely affected if the authorities of U.S., the EU, and/or any other jurisdiction or regions were to determine that any of our activities constitutes a violation of the sanctions they impose or provides a basis for a sanction designation of our Group. We cannot assure you that investors who are subject to the jurisdictions of the U.S., the EU, and/or other jurisdictions will be willing to make investments, or may divest their investment, in us, which may have an adverse impact on the Offer Price and the future prevailing market price of our H shares. In addition, if any of our customers, end users or suppliers becomes subject to international sanctions in the future, we may have to discontinue our business with such customers, end users or suppliers to avoid potential risks. In such events, our financial results may be materially and adversely affected.

In addition, the rules and regulations regarding U.S. outbound investment may be subject to further development. There are thus uncertainties under the Outbound Investment Rule, and we cannot assure you that the U.S. Department of Treasury will not take a different view from us and treat an equity investment in our H shares by a U.S. person as prohibited or notifiable. In addition, we cannot predict how the Outbound Investment Rule will be enforced, neither can we guarantee that there will not be a change in interpretation to broaden its application, or an enactment of similar laws or regulations that impinge upon our business activities in the future. The uncertainty in the interpretation and enforcement of the Outbound Investment Rule may reduce U.S. investors' interest in our equity securities. In such a case, the Offer Price, the future prevailing market price and the liquidity of our H shares may be adversely affected. It could also be detrimental to our business, financial condition and prospects.

Furthermore, recent U.S.-China trade tensions and unfavorable tariff arrangements have also led to the introduction of unreasonably high tariffs on all goods trading between the two countries. While the U.S. Supreme Court issued its decision on February 20, 2026, which held that IEEPA does not give the President authority to impose tariffs and the reciprocal tariffs and fentanyl-related tariffs imposed pursuant to IEEPA were terminated, there is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be being subject to such export controls, sanctions, tariffs, or new trade policies introduced by the two countries. We cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy.

Furthermore, our business and results of operations are affected by our ability to execute our globalization strategy, which primarily involves expanding into new international markets. Operating internationally subjects us to additional risks and challenges such as:

- limited brand recognition globally (compared with our presence in the PRC);
- costs and expenses in connection with global expansion, including recruitment of local personnel and lease or establishment of new premise or lab;
- ability to anticipate international consumers' and collaborators' needs and preferences;
- burdens of complying with a wide variety of local laws and regulations;
- wars, political and economic instability, including trade tensions; and
- technological and trade restrictions.

Our international expansion plans will place increased demands on our operational, managerial and administrative resources. In particular, we face regulatory uncertainties and may incur substantial compliance costs when we enter into a new overseas market. Regulations in different overseas markets could vary significantly and we may need to make adjustments to our business accordingly to comply with local laws. We also have to closely monitor changes in local laws and complete all necessary procedures and filings accordingly.

We are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations.

We are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations in the jurisdictions where we operate. We may be subject to investigations and proceedings by governmental authorities for alleged infringements of these laws if our compliance processes or internal control systems are not conducted or are not operating properly. These proceedings may result in fines or other liabilities and could have a material adverse effect on our reputation, business, financial condition and results of operations.

To address any ESG risks, we may incur additional costs, which may materially and adversely affect our financial performance.

To identify, manage, and mitigate ESG risks, we may incur additional costs and expenses which could impact our financial performance. We monitor environmental and climate-related risks that may impact on our business, strategy and financial performance and evaluate the magnitude of the resulting impact over the short-, medium- and long-term horizons. We monitor a wide range of indicators such as power consumption, water consumption and waste generation to manage our environmental and climate-related risks arising from our operations and are committed to providing adequate support to our employees to nurture a friendly and inspirational corporate culture. This commitment may entail incurring substantial additional costs and would potentially impact our profitability. See "Business — Environmental, Social and Governance Matters." During our business operations, especially the manufacturing process, we also face various compliance risks relating to environment protection, project management, work safety, fire safety, among others. In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs and cost of sales may rise. Failure to adapt to new regulations or meet evolving industry expectations and standards could result in consumers choosing products, services and solutions from other companies, which may materially and adversely affect our results of operations and financial conditions.

We are subject to strict regulatory requirements in labor-related laws and regulations of the PRC.

We have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing funds, medical insurance, work-related injury insurance, unemployment insurance and childbearing insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law, or the Labor Contract Law, that became effective in January 2008 and was amended in December 2012 and its implementing rules that became effective in September 2008, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

We are, and may in the future be, subject to legal and regulatory proceedings and/or investigations in the ordinary course of our business.

From time to time, we may face litigation, regulatory proceedings and government investigations which may be brought against us by customers, end-users, competitors, governmental entities conducting civil, regulatory or criminal investigations, or other parties, and may be brought by us against other parties. These claims could be asserted under a variety of laws, including but not limited to product liability laws, intellectual property laws, labor and employment laws, securities laws, tort laws, contract laws and property laws. There is no guarantee of our success in enforcing our rights under the relevant business or other agreements or arrangements which may involve multiple parties and/or jurisdictions, in asserting our rights thereunder or under applicable laws and regulations, or in defending against these legal and regulatory proceedings or investigations. Even if we succeed in our defense or asserting our rights, the process can be expensive, time-consuming, and may not yield the desired outcome. Legal and regulatory proceedings can also expose us to negative publicity, substantial financial damages, legal defense expenses, injunctive orders, and criminal, civil and administrative fines and penalties.

RISKS RELATING TO DOING BUSINESS IN THE PRC

Our business is affected by the changes in the economic, political or social conditions or government policies of the PRC.

Most of our business, assets and operations are located in the PRC, and therefore, our business, financial condition, results of operations and prospects are affected to a large extent by the general political, economic and social developments in the PRC. Similar to many other countries and regions, the PRC regulates its economy through imposing and adjusting industrial, fiscal or monetary policies from time to time. Our business has been and would continue to be affected by the PRC's economy, which in turn is increasingly influenced by the global economy. The uncertainties in the global economy and the geo-political or social environment in various regions around the world would continue to influence the PRC's economic growth and may cause uncertainties in our prospects. Future changes in economic, political, social, and regulatory conditions may continue to influence our business, financial condition, results of operations and prospects.

Changes in international trade policies, and in relationships between the PRC and other countries, may adversely impact our business and operating results.

We conduct our business operations primarily in the PRC and are actively tapping into overseas markets. Unfavorable government policies related to international trade, including capital controls or tariffs, or changes in diplomatic relations between China and foreign countries or regions, have the potential to impact the sales of our products. These factors may also affect our ability to recruit engineers and other R&D personnel and influence the import or export of raw materials essential to our international expansion efforts. The implementation of new tariffs, changes in legislation and regulations, or the renegotiation of existing trade agreements could result in a material adverse effect on our business, prospects, results of operations, financial condition, and cash flows.

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

We are subject to extensive national, provincial and local governmental regulations, policies and controls, covering, among others and in addition to specific industry-related regulations, the following aspects: (i) consumer protection and product liability; (ii) cybersecurity, data security and protection of personal information; (iii) security laws and regulations; (iv) establishment of or changes in shareholder of foreign investment enterprises; (v) foreign exchange; and (vi) taxes, duties and fees.

The liabilities, costs, obligations and requirements associated with these laws and regulations may cause interruptions to our operations or impact our financial position and results of operations. Additionally, there can be no assurance that the relevant government agencies will not change such laws or regulations or impose additional or more stringent laws or regulations. Compliance with such laws or regulations may require us to incur material capital expenditures or other obligations or liabilities. Legal requirements may change from time to time and be subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business.

Our operations are subject to PRC tax laws and regulations.

We are subject to periodic examinations on the fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. The PRC tax laws and regulations might be subject to interpretations and adjustments by relevant authorities from time to time. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could materially and adversely affect our business, prospects, results of operations, financial condition, and cash flows.

We are subject to certain PRC regulations for us to pursue growth through acquisitions.

The Anti-monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》) promulgated by the SCNPC on August 30, 2007, which was amended on June 24, 2022 and became effective on August 1, 2022, and the Rules of the State Council on Declaration Threshold for Concentration of Undertakings (《關於經營者集中申報標準的規定》) promulgated by the State Council on August 3, 2008, and was latest amended on January 22, 2024, require that where a concentration reaches certain thresholds, a declaration must be lodged in advance with the anti-monopoly law enforcement agency under the State Council, or otherwise the concentration shall not be implemented. Furthermore, under relevant PRC laws and regulations, we are required to obtain or complete approval, registration, filing and/or other procedural requirements from the MOFCOM, the NDRC, the SAFE and/or their local counterparts or designated banks, with respect to our overseas investments and acquisitions.

Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

Companies operating in the PRC are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing provident funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at locations where we operate our businesses. The relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments, and employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties. Due to the preference of certain employees to participate in local social insurance and housing provident fund schemes in their place of residency, we used third party agencies to pay social insurance and housing provident fund contribution for a few employees in certain locations where we had no branch or legal entity during the Track Record Period on time and in full. See "Business — Employees" for details.

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), if we fail to make social insurance contributions on time and in full, the social insurance administrative department may issue an order requiring us to settle the overdue social insurance amount within a prescribed period, along with a late fee of 0.05% per day on the overdue amount from the date of indebtedness. If payment is not made within the prescribed period, the competent administrative authority may impose a fine ranging from the amount overdue to up to three times that amount. According to the Administration of Housing Provident Fund (《住房公積金管理條例》), if we fail to complete the requested procedures for housing provident fund contributions or fail to set up housing provident fund accounts for our employees, the competent authorities may order us to complete the required procedures within a specified period. If we do not comply within the prescribed timeframe, we may be subject to a fine ranging from RMB10,000 to RMB50,000. Nonetheless, (i) the third-party human resources agent had confirmed that they had made the contributions for our relevant employees in a timely manner pursuant to the applicable laws and regulations in the PRC during the Track Record Period, (ii) there had been no disputes between us, such employees and the third-party human resources agent with regard to such arrangement as of the Latest Practicable Date, and (iii) we had not received any notice of rectification from, or been imposed any administrative penalty by the relevant governmental authorities as a result of such arrangement as of the Latest Practicable Date.

Based on the above, our PRC Legal Advisor is of the view that, if we are able to rectify upon request by the relevant authorities within the specified period, the risk of us being subject to material penalties as a result of paying the social insurance premium and housing provident funds for the relevant employees through the third-party agent is remote. However, we cannot assure you that the competent government authorities will not impose penalty on us. If we are subject to investigations related to non-compliance with labor laws and are imposed severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our business, financial condition and results of operations may be adversely affected.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

As is customary with all major economies, the PRC has tax treaties or similar arrangements with jurisdictions across the world. Under the Enterprise Income Tax Law of the People's Republic of China (the "**EIT Law**") and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得税法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although our business operations are in the PRC, it is unclear whether dividends we pay with respect to our H Shares, or the gain realized from the transfer of our H Shares, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax. If PRC income tax is imposed on gains realized through the transfer of our H Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Restrictions on the remittance of Renminbi into and out of the PRC and governmental control over currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment.

The conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. As we may convert our revenue in Renminbi into other currencies to meet our foreign currency obligations, such as payments of dividends on our Shares, there is no assurance that we will have sufficient foreign exchange to meet these requirements. Under 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, any changes to these foreign exchange policies that prevent us from obtaining sufficient foreign currencies may affect our ability to pay dividends in foreign currencies to our Shareholders.

Fluctuations in exchange rates of the Renminbi could result in foreign currency exchange losses.

The exchange rate of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, the policies of the PRC government and changes in the PRC's and international political and economic conditions, as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the Renminbi and the Hong Kong dollar, the U.S. dollar or other currencies in the future. In addition, the PBOC regularly intervenes in the foreign exchange market to limit fluctuations in Renminbi exchange rates and achieve policies goals. Several political and economical factors could result in a significant appreciation of Renminbi against the U.S. dollar, the Hong Kong dollar or other foreign currencies.

The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company established under the laws of the PRC and substantially all of our assets are located in the PRC. In addition, the majority of our Directors and executive officers reside in the PRC, and substantially all of the assets of such Directors and executive officers are located in the PRC. As a result, it may not be possible for you to directly effect service of process upon us or such Directors or executive officers who reside in the PRC, including with respect to matters arising under U.S. federal securities laws or applicable state securities laws. Pursuant to Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and 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》) effective on January 29, 2024, promulgated by the Supreme People's Court, a party with an enforceable final court judgment rendered by any designated people's court of the PRC or any designated Hong Kong court with respect to any civil and commercial cases excluding certain types of which, may apply for recognition and enforcement of the judgment in the relevant people's court of the PRC or Hong Kong court.

The PRC has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. In addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations, and interpretations, a court judgment obtained in the United States and any of the other jurisdictions mentioned above may be recognized and enforced in the PRC or Hong Kong in consideration of the treaties providing for the reciprocal enforcement of judgments of courts between China and the country where the judgment was made.

RISKS RELATING TO THE GLOBAL OFFERING

We will be concurrently subject to listing and regulatory requirements of PRC and Hong Kong.

As our A Shares are listed on the STAR Market and our H Shares will, subject to the approval by the Listing Committee of the Hong Kong Stock Exchange, be listed on the Main Board in Hong Kong, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

Our A Shares are listed and traded on the Shanghai Stock Exchange, and the characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the STAR Market. Following the Global Offering, our A Shares will continue to be traded on the STAR Market and our H Shares will, subject to the approval by the Listing Committee of the Hong Kong Stock Exchange, be listed on the Main Board. Under current laws and regulations of PRC, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

There has been no prior public market for our H Shares, their market price may be volatile and an active trading market for our H Shares may not develop.

No public market currently exists for our H Shares. The initial Offer Price for our H Shares to the public will be the result of negotiations between our Company and Overall Coordinators (for themselves and on behalf of the other Underwriters), and the Offer Price may differ significantly from the market price of our H Shares following the Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for our 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 rise following the Global Offering.

The market price and trading volume of our H Shares may be volatile, which could result in substantial losses for investors who purchase our H Shares in the Global Offering. The market price and trading volume of our H Shares may be highly volatile. Several factors beyond our control such as variations in our revenue, earnings and cash flow, strategic alliances, the addition or departure of key personnel, litigation, the removal of the restrictions on H share transactions or volatility in market prices and changes in demand for our products may cause significant and sudden changes to the market price and trading volume of our H Shares. Furthermore, the market price of our H Shares could also 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. New shares or share-linked securities issued by our Company may also confer rights and privileges that take priority over those conferred by the H Shares. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that is not related to the operating performance of any particular company. This volatility may also materially and adversely affect the market price of our H Shares.

Potential investors will experience immediate and substantial dilution as a result of the Global Offering.

Potential investors will pay a price per H Share in the Global Offering that substantially exceeds the per H Share value of our tangible assets after subtracting our total liabilities as of March 31, 2026. Therefore, purchasers of our H Shares in the Global Offering will experience a substantial immediate dilution in pro forma net tangible assets, and our existing Shareholders will receive an increase in the pro forma adjusted net tangible assets per Share on their Shares. As a result, if we were to distribute our net tangible assets to the Shareholders immediately following the Global Offering, potential investors would receive less than the amount they paid for their H Shares. For more information, see "Appendix II — Unaudited Pro Forma Financial Information" in this prospectus.

We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official government sources contained in this prospectus.

Certain facts, statistics and data contained in this prospectus relating to the PRC, Hong Kong and the industries in which we operate have been derived from various official government publications that we generally believe to be reliable. Such information has not been prepared or independently verified by us, the underwriters or any of our or their respective affiliates or advisors, and we cannot guarantee the quality or reliability of such source materials.

Therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside of the PRC and Hong Kong. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or incomparable to statistics produced with respect to other economies and should not be relied upon. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should give due consideration as to how much weight or importance you should attach to or place on such facts, forecasts or statistics.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the STAR Market.

As our A Shares are listed on the STAR Market, we have been subject to periodic reporting and other information disclosure requirements in PRC. As a result, from time to time, we publicly release information relating to us on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with the A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in China, which are different from those applicable to the Global Offering. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this prospectus. As a result, prospective investors in the H Shares should be reminded that, in making their investment decisions as to whether to purchase the H Shares, they should rely only on the financial, operating and other information included in this prospectus. By applying to purchase the H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus and any formal announcements made by us in Hong Kong with respect to the Global Offering.

There is no assurance whether and when we will pay dividends, which is subject to restrictions under PRC law.

No dividend had been paid or declared by our Company during the Track Record Period. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS Accounting Standards. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS Accounting Standards. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and requires approval at our shareholders' meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and the following exemption from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have sufficient management presence in Hong Kong. This will normally mean that at least two of our executive directors must be ordinarily resident in Hong Kong.

Our Group's management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. We consider that it would be practically difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by relocation of our existing executive Directors or by appointment of additional executive Directors. As such, we do not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement of Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements:

(i) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives who shall act at all times as the principal channel of communication with the Stock Exchange. These two authorized representatives appointed are Ms. LI Yiduo ("**Ms. Li**"), executive Director, chief financial officer and secretary of the Board of our Company, and Mr. POON Kin Hei ("**Mr. Poon**"), a joint company secretary of our Company. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange;

(ii) pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact information to the Stock Exchange and to the authorized representatives. This will ensure that the Stock Exchange and the authorized representatives should have means for contacting all Directors promptly at all times as and when required;

(iii) we will endeavour to ensure that each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period; and

(iv) pursuant to Rule 3A.19 of the Listing Rules, we have appointed China Everbright Capital Limited as our compliance advisor, who will act as an additional channel of communication with the Stock Exchange in addition to our authorized representatives. The compliance advisor will have reasonable access, at all times during their appointment, to our authorized representatives, Directors and other officers of the Company, participate in the communication between the Stock Exchange and the Company and answer inquiries from the Stock Exchange.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable: (i) a member of The Hong Kong Institute of Chartered Secretaries; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

In assessing "relevant experience," the Stock Exchange will consider the individual's: (i) length of employment with the issuer and other listed companies and the roles he/she played, (ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code, (iii) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than fifteen hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules, and (iv) professional qualifications in other jurisdictions.

We have appointed Ms. Li and Mr. Poon as our joint company secretaries. Biographical information of Ms. Li and Mr. Poon is set out in the section headed "Directors and Senior Management" in this prospectus. Ms. Li has served as our secretary of the Board since December 2020. By virtue of Ms. Li's substantial experience in corporate governance and her experience and familiarity with our Group, we believe that appointment of Ms. Li as our company secretary would be beneficial for our Company. Furthermore, the principal business activities of the Group are conducted in China. Ms. Li, who resides in China, is familiar with and has a thorough understanding of the operations of our internal business. Therefore, we believe that the appointment of Ms. Li as a joint company secretary is in our Company's and the Shareholders' best interests and beneficial to our corporate governance.

Although Ms. Li does not possess the specified qualification required by Rule 3.28 of the Listing Rules, the Directors believe that considering Ms. Li's past experience in handling corporate governance matters, she is capable of discharging the functions of a joint company secretary with the assistance of Mr. Poon, the other joint company secretary of our Company who fully complies with the requirements under Rule 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Li as our joint company secretary for a three-year period from the Listing Date, in accordance with paragraphs 11 to 17 of Chapter 3.10 of the Guide for New Listing Applicants, on the conditions that: (i) Ms. Li will endeavor to attend relevant training courses to enhance her knowledge of the applicable Hong Kong laws and regulations as well as the Listing Rules, and comply with the annual professional training requirement under Rule 3.29 of the Listing Rules; (ii) Mr. Poon, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully complies with the requirements under Rules 3.28 and 8.17 of the Listing Rules, has been appointed to act as the other joint company secretary and will work closely with and to provide assistance to Ms. Li in the discharge of his duties as a company secretary for an initial period of three years commencing from the Listing Date so as to enable Ms. Li to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to discharge the duties and responsibilities as a company secretary; and (iii) the waiver will be revoked immediately if and when Mr. Poon ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company. Before the end of the three-year period, we shall demonstrate to the Stock Exchange's satisfaction and seek its confirmation that Ms. Li, having had the benefit of Mr. Poon's assistance during the three-year period, has attained the relevant experience within the meaning of Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary so that a further waiver would not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE SHARE INCENTIVE SCHEME

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the share options granted by the Company:

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in this prospectus. The Company is also required to disclose in this prospectus full details of all outstanding options and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options.

(b) Paragraph 27 of Appendix D1A to the Listing Rules requires the Company to set out in this prospectus particulars of any capital of any member of the Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee.

(c) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires the Company to set out in this prospectus, among other things, details of the number, description and amount of any shares in or debentures of the Company which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares and debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given.

As of the Latest Practicable Date, the total number of A Shares underlying all outstanding share options (which are of the nature of share options pursuant to the terms of the 2023 Share Incentive Scheme) under the 2023 Share Incentive Scheme amounted to 172,364 Shares, which were granted to 154 grantees, including Directors and senior management of the Company and other employees of our Group. The Shares underlying the outstanding share options represent approximately 0.13% of the total number of Shares in issue immediately after completion of the Global Offering (assuming no Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date). For further details of our 2023 Share Incentive Scheme, see "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme."

Our Company has applied to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules; and (ii) a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting the Company from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the share options granted under the 2023 Share Incentive Scheme, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons:

(a) given that 154 grantees are involved, strict compliance with such disclosure requirements in setting out full details of all the grantees under the 2023 Share Incentive Scheme in the prospectus would be costly and unduly burdensome for the Company in light of a significant increase in cost and timing for information compilation and prospectus preparation;

(b) as of the Latest Practicable Date, the grantees under the 2023 Share Incentive Scheme consist of one management grantee (who is a Director and member of the senior management of the Group) and one Core R&D Member, and the remaining 152 grantees who are current employees of the Group and are not Directors, senior management, Core R&D Members or connected persons of the Company, and, as such, strict compliance with the requirements to disclose names, addresses, and entitlements on an individual basis will require substantial number of pages of additional disclosure;

(c) the disclosure of the personal details of each grantee, including the number of share options granted, may require obtaining consent from all the grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for the Company to obtain such consents given the number of grantees;

(d) the grant and exercise in full of the share options under the 2023 Share Incentive Scheme will not cause any material adverse impact in the financial position of the Company;

(e) non-compliance with the above disclosure requirements would not prevent the Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of the Company; and

(f) material information relating to the share options under the 2023 Share Incentive Scheme will be disclosed in this prospectus, including the total number of Shares subject to the 2023 Share Incentive Scheme, the exercise price per Share, the potential dilution effect on the shareholding and impact on earnings per Share upon full exercise of the share options granted under the 2023 Share Incentive Scheme. The Directors consider that the information that is reasonably necessary for the potential investors to make an informed assessment of the Company in their investment decision making process has been included in this prospectus.

In light of the above, our Directors are of the view that the grant of the waiver and exemption sought under this application will not prejudice the interests of the investing public.

The Stock Exchange has granted to our Company a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules with respect to the share options granted under the 2023 Share Incentive Scheme on the condition that:

(a) full details of the share options granted under the 2023 Share Incentive Scheme to (i) each of the Directors, senior management, Core R&D Members and connected persons of our Company, and (ii) other grantees whose outstanding share options represent 6,000

Shares or more will be disclosed in "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme" as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted under the 2023 Share Incentive Scheme to other grantees (other than those set out in (a) above), the following disclosure will be made on an aggregate basis in this prospectus: (i) the aggregate number of grantees and number of Shares underlying the share options under the 2023 Share Incentive Scheme, (ii) the consideration for the grant of share options (if any) under the 2023 Share Incentive Scheme, and (iii) the exercise period and exercise price of the share options granted under the 2023 Share Incentive Scheme;

(c) the aggregate number of Shares underlying the share options granted under the 2023 Share Incentive Scheme, and the percentage to the Company's total issued share capital upon completion of the Global Offering represented by such number of Shares underlying the share options granted pursuant to the 2023 Share Incentive Scheme will be disclosed in this prospectus;

(d) the potential dilution effect and impact on earnings per Share upon the full exercise of the share options under the 2023 Share Incentive Scheme will be disclosed in "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme";

(e) a summary of the major terms of the 2023 Share Incentive Scheme will be disclosed in "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme";

(f) a full list of all the grantees (including the persons referred to in point (a) above) who have been granted share options to subscribe for Shares under the 2023 Share Incentive Scheme, containing all the particulars as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be made available for public inspection in accordance with the subsection headed "3. Document Available for Inspection" under the section headed "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix VII to this prospectus;

(g) the particulars of the waiver will be disclosed in this prospectus; and

(h) the grant of certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting the Company from the disclosure requirements provided in paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The SFC has agreed to grant to our Company the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the share options granted under the 2023 Share Incentive Scheme on condition that:

(a) full details of the share options under the 2023 Share Incentive Scheme granted to (i) each of the Directors, the senior management, Core R&D Members and connected persons of our Company, and (ii) other grantees whose outstanding share options represent 6,000 Shares or more will be disclosed in "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme" as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted under the 2023 Share Incentive Scheme to other grantees (other than those set out in (a) above), the following disclosure will be made on an aggregate basis in this prospectus: (i) the aggregate number of grantees and number of Shares underlying the share options under the 2023 Share Incentive Scheme, (ii) the consideration for the grant of share options (if any) under the 2023 Share Incentive Scheme, and (iii) the exercise period and exercise price of the share options granted under the 2023 Share Incentive Scheme;

(c) a full list of all the grantees (including the persons referred to in point (a) above) who have been granted share options to subscribe for Shares under the 2023 Share Incentive Scheme, containing all the particulars as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be made available for public inspection in accordance with the subsection headed "3. Document Available for Inspection" under the section headed "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix VII to this prospectus; and

(d) the particulars of the exemption will be disclosed in this prospectus and this prospectus will be issued on or before September 11, 2026.

Further details of the 2023 Share Incentive Scheme are set forth in "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme."

WAIVER IN RESPECT OF ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of a listing applicant may only subscribe for or purchase any securities for which listing is sought that are being marketed by or on behalf of a listing applicant either in his/her/its own name or through nominees if the conditions in Rule 10.03 of the Listing Rules are fulfilled, namely that (i) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) (as amended and replaced by Rule 19A.13A(2)) of the Listing Rules is achieved.

Paragraph 1C(2) of Appendix F1 to the Listing Rules states that, without the prior written consent of the Stock Exchange, no allocations will be permitted to be made to directors or existing shareholders of a listing applicant or their close associates, unless the conditions set out in Rules 10.03 and 10.04 are fulfilled.

Chapter 4.15 of the Listing Guide provides that the Stock Exchange will consider granting a waiver from Rule 10.04 of the Listing Rules and a consent, pursuant to paragraph 1C(2) of Appendix F1 to the Listing Rules, to allow a listing applicant's existing shareholders or their close associates to participate in its initial public offering if any actual or perceived preferential treatment arising from their ability to influence the listing applicant during the allocation process can be addressed.

Prior to the Listing, our share capital comprises entirely A Shares listed on the STAR Market. As a company listed on the STAR Market with its A Shares publicly traded thereon and with a large public A Shares shareholder base, it would be unduly burdensome for us to seek the prior consent of the Stock Exchange for each of our minority existing Shareholders or their close associates who subscribe for the H Shares in the Global Offering.

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 10.04 of, and a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders who (i) hold less than 5% of the total number of issued Shares prior to the completion of the Global Offering and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of our Company or the close associates of any such core connected person (together, the "**Permitted Existing Shareholders**"), on the following conditions:

(a) each Permitted Existing Shareholder to whom our Company may allocate the H Shares under the International Offering holds less than 5% of the total number of issued Shares prior to the completion of the Global Offering;

(b) each Permitted Existing Shareholder is not, and will not be, a core connected person of our Company or any close associate of any such core connected person immediately prior to or following the Global Offering;

(c) none of the Permitted Existing Shareholders has the power to appoint any Directors nor have any other special rights in our Company;

(d) allocation to the Permitted Existing Shareholders and their close associates will not affect our Company's ability to satisfy the public float requirement as prescribed by the Stock Exchange under the waiver in respect of the strict compliance with the requirements of Rule 19A.13A(2) of the Listing Rules;

(e) to the best knowledge and belief of our Company and the Sole Sponsor, and based on discussions between our Company and the Overall Coordinators and confirmations required to be submitted to the Stock Exchange by the Sole Sponsor, we will confirm to the Stock Exchange that in case of participation as placees, no preferential treatment will be given to the Permitted Existing Shareholders and/or their close associates in the allocation process by virtue of their relationship with our Company;

(f) in the case of participation as placees, the Overall Coordinators will confirm to the Stock Exchange that, to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to any of the Permitted Existing Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the International Offering; and

(g) the Sole Sponsor will confirm to the Stock Exchange that based on (i) its discussion with our Company and the Overall Coordinators; and (ii) the confirmations provided to the Stock Exchange by our Company and the Overall Coordinators, and to the best of their knowledge and belief, they have no reason to believe that the Permitted Existing Shareholders and/or their close associates received any preferential treatment in the allocation process as placees by virtue of their relationship with our Company, and details of allocation to the Permitted Existing Shareholders holding more than 1% of the total number of issued Shares immediately prior to the completion of the Global Offering will be disclosed in the allotment results announcement of our Company.

WAIVER IN RESPECT OF ALLOCATION TO PRICE SETTING INVESTORS

Rule 18C.08 of the Listing Rules requires that at least 50% of the total number of shares offered in the initial public offering (excluding any shares to be issued pursuant to the exercise of any offer size adjustment option and/or over-allotment option) of a Specialist Technology Company must be taken up by independent price setting investors in the placing tranche (whether as Cornerstone Investors or otherwise).

Paragraph 11A of Appendix F1 to the Listing Rules (the "**Placing Guidelines**") provides that for an applicant seeking to list under Chapter 18C of the Listing Rules, the placing of securities must comply with Rule 18C.08 of the Listing Rules.

Paragraph 43 of Chapter 2.5 of the Listing Guide issued by the Stock Exchange provides that independent price setting investors include (i) Institutional Professional Investors (which is defined under Rule 18B.01 of the Listing Rules as persons falling under paragraphs (a) to (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO); and (ii) other types of investors with assets under management, fund size or investment portfolio size of at least HK$1 billion, but exclude: (a) an existing shareholder of the applicant, or a close associate of such an existing shareholder; or (b) a core connected person of the applicant.

Rule 18C.08A of the Listing Rules provides that paragraph 3.2 of Practice Note 18 does not apply to the initial public offering of a Specialist Technology Company.

Paragraphs 327 and 329 of the Stock Exchange's Consultation Conclusion on Listing Regime for Specialist Technology Companies provide that the purpose of the requirements under Rule 18C.08 of and Paragraph 11A of Appendix F1 to the Listing Rules in connection with the minimum allocation to independent price setting investors (the "**Minimum Allocation Requirements**") is to achieve a more robust price discovery process for Specialist Technology Companies, in light of the inherent difficulty of valuing these companies. The Minimum Allocation Requirements would help ensure that the offer price of a Specialist Technology Company applicant is determined with the benefit of professional experience and industry expertise by investors that are both independent and have sufficient resources to conduct due diligence on, and thorough research into, the Specialist Technology Company's capabilities and performance.

Since October 2022, our Company has been listed on the STAR Market. Our Company has an average daily turnover of RMB1,168.74 million for the period from January 1, 2026 to the Latest Practicable Date.

We have applied to the Stock Exchange for a waiver from strict compliance with the Minimum Allocation Requirements taking into account of the following reasons. The Stock Exchange is satisfied and granted the waiver on the grounds that it will not prejudice the interest of the investing public and is consistent with the underlying purpose of Rule 18C.08 of the Listing Rules in terms of issuing a robust price discovering and independent validation of valuation for companies seeking a listing under the Chapter 18C of the Listing Rules.

(a) *our Company has an established market valuation* – the trading price of the A Shares reflects a continuous price discovery process which can provide a valuation of the Company traded on an open exchange and subject to its listing rules; and

(b) *independent price setting investors (the "**IPSIs**") hold substantial A Shares* – as of August 20, 2026, among our Company's top 200 shareholders (excluding the shareholdings of the Single Largest Group of Shareholders), the IPSIs held 34.89% of our Company's total issued share capital, and none of such Shares were subject to any lock-up restrictions. Accordingly, the prevailing market price of the A Shares reflects trading in a shareholder base that substantially comprises investors that would satisfy the definition of IPSIs under Chapter 18C of the Listing Rules and therefore providing a reliable and objective benchmark for assessing the valuation of the H shares.

The Stock Exchange has granted to us a waiver from strict compliance with the Minimum Allocation Requirements under the following conditions:

(a) the Offer Price of the H Shares will be determined with reference to the prevailing market price of the A Shares;

(b) we will comply with paragraph 3.2 of the Practice Note 18 of the Listing Rules, in particular, no more than 40% of the total number of Offer Shares will be allocated to cornerstone investors as described in the section headed "Cornerstone Investors" in this prospectus;

(c) this prospectus will disclose:

  (i) the time for the determination of the Offer Price and the form of its publication;

  (ii) the historical prices of the A Shares and trading volume on the STAR Market during the Track Record Period and up to the Latest Practicable Date;

  (iii) the closing price of the A Shares on the Latest Practicable Date;

  (iv) the discount of the high-end and low-end of the indicative Offer Price range to the closing price of the A Shares in (iii) above; and

  (v) the source for investors to access the latest market price of the A Shares; and

(d) we will include in the allotment results announcement a description of the placees and the distribution of the International Offer Shares.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors (including any proposed Director who is named as such in this prospectus) 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 inquiries, 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.

CSRC FILING

The CSRC issued a notification on June 8, 2026 confirming our completion of the filing procedures for the Listing and the Global Offering. In issuing such notification, the CSRC accepts no responsibility for our financial soundness or the accuracy of any of the statements made or opinions expressed in this prospectus.

INFORMATION ON THE GLOBAL OFFERING

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 sets out the terms and conditions of the Hong Kong Public Offering.

The Offer 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. 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 Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

The Listing is sponsored by the Sole Sponsor and the Global Offering is managed by the Overall Coordinator. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to our Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

If, for any reason, the Offer Price is not agreed between our Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters), the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, see "Underwriting."

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.

Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering," and the procedures for applying for the Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares."

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her/its acquisition of Hong Kong Offer Shares to, confirm that he/she/it is aware of the restrictions on the offer and sales of the Hong Kong Offer Shares described in this prospectus and that he/she/it is not acquiring, and has not been offered, any Offer Shares in circumstances that contravene any such restrictions.

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 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 ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering .

Dealings in the H Shares on the Stock Exchange are expected to commence on Monday, September 21, 2026.

Other than our A Shares which are currently listed on and dealt in on the STAR Market, and our pending application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares, no part of our equity or debt securities 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.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the approval for the listing of, and permission to deal in, the H Shares 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 Listing Date or 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 HKSCC Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangement as such arrangements may affect their rights and interests. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All Offer Shares issued pursuant to applications made in the Global Offering will be registered on our H Share register of members to be maintained by our H Share Registrar, Tricor Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by us at our headquarters in China.

Dealings in the H Shares registered in our H Share register of members will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice.

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of members of our Company in Hong Kong, by ordinary post, at the H Shareholders' risk, to the registered address of each H Shareholder of our Company.

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 Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global

Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of our or their respective directors, officers, employees, agents 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

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars at specified rates.

Unless otherwise specified, amounts denominated in Renminbi or U.S. dollars have been translated, for the purpose of illustration only, into Hong Kong dollars in this prospectus at the following exchange rates:

RMB0.86466 to HK$1.00

RMB6.78170 to US$1.00

HK$7.84320 to US$1.00

No representation is made that any amounts in Renminbi or U.S. dollars were or could have been or could be converted into Hong Kong dollars at such rates or any other exchange rates on such date or any other date.

ROUNDING

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. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and its Chinese translation, the English version shall prevail.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages. In the event of inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. SUN Yuanhao (孫元浩)	Room 502, No. 27, Lane 300 Gulong Road, Minhang District Shanghai, PRC	Chinese
Mr. LV Cheng (呂程)	Room 1003, Building 20 Huayue Garden No. 39 Quanzhou Road, Xuhui District Shanghai, PRC	Chinese
Mr. ZHU Junchen (朱珺辰)	Room 301, No. 44, Lane 5058 Dushi Road, Minhang District Shanghai, PRC	Chinese
Ms. WEN Ye (溫燁)	Room 406, Building 1, Yitian Garden Baotou Road, Heping District Tianjin, PRC	Chinese
Mr. ZHANG Liming (張立明)	Room 2001, No. 7, Lane 179 Tianping Road, Xuhui District Shanghai, PRC	Chinese
Ms. LI Yiduo (李一多)	Room 202, No. 16, Lane 251 Zhenjin Road, Putuo District Shanghai, PRC	Chinese
Independent non-executive Directors		
Mr. HUANG Yihua (黃宜華)	Room 1901, Building 12 Jiutang Mansion, Pukou District Nanjing, Jiangsu Province, PRC	Chinese
Mr. MA Dongming (馬冬明)	Room 603, Building 30 Yaojiang Wending Garden Xihu District, Hangzhou Zhejiang Province, PRC	Chinese
Mr. LIU Dong (劉東)	Room 1104, Building 06, Bojun Garden Baota Road Subdistrict Runzhou District, Zhenjiang Jiangsu Province, PRC	Chinese
Ms. LIU Jin (劉瑾)	Room 19E, Block 6A Sheung Yuen, 99 So Kwun Wat Road Tuen Mun, Hong Kong	Chinese (Hong Kong)

For further information regarding our Directors, see “Directors and Senior Management.”

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	**Haitong International Capital Limited** Suites 3001-3006 and 3015-3016 One International Finance Centre 1 Harbour View Street Central Hong Kong
Sole Sponsor-Overall Coordinator	**Haitong International Securities Company Limited** 28/F, 30/F Suites 3001-10 and 3015-16 One International Finance Centre 1 Harbour View Street Central Hong Kong
Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	**Haitong International Securities Company Limited** 28/F, 30/F Suites 3001-10 and 3015-16 One International Finance Centre 1 Harbour View Street 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
Joint Bookrunners and Joint Lead Managers	**Webull Securities Limited** Suites 2509-12, 25/F, Tower 6 The Gateway Harbour City Kowloon Hong Kong **BOCOM International Securities Limited** 9/F Man Yee Building 68 Des Voeux Road Central Central Hong Kong **Huafu International Securities Limited** Unit 2603-06, 26/F Infinitus Plaza 199 Des Voeux Road Central Sheung Wan Hong Kong **CMB International Capital Limited** 45/F, Champion Tower 3 Garden Road Central Hong Kong

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

SPDB International Capital Limited
33/F, SPD Bank Tower
One Hennessy
1 Hennessy Road
Hong Kong

Joint Lead Manager

First Securities (HK) Limited
Room 1708-1710, 17/F
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

Capital Market Intermediaries

Haitong International Securities Company Limited
28/F, 30/F Suites 3001-10 and 3015-16
One International Finance Centre
1 Harbour View Street
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

Webull Securities Limited
Suites 2509-12, 25/F, Tower 6
The Gateway
Harbour City
Kowloon
Hong Kong

BOCOM International Securities Limited
9/F Man Yee Building
68 Des Voeux Road Central
Central
Hong Kong

Huafu International Securities Limited
Unit 2603-06, 26/F
Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong

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

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

SPDB International Capital Limited
33/F, SPD Bank Tower
One Hennessy
1 Hennessy Road
Hong Kong

First Securities (HK) Limited
Room 1708-1710, 17/F
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

Legal Advisors to the Company

As to Hong Kong law:

Jun He Law Offices
7/F, AIA Central
1 Connaught Road Central
Central
Hong Kong

As to PRC law:

JunHe LLP
26th Floor, HKRI Centre One
HKRI Taikoo Hui
288 Shimen Yi Road
Shanghai, PRC

As to international sanctions laws:

Jun He Law Offices LLC
Suite 1919
630 Fifth Avenue, 45 Rockefeller Plaza
New York, NY 10111
United States

As to PRC sanctions laws:

JunHe LLP
26th Floor, HKRI Centre One
HKRI Taikoo Hui
288 Shimen Yi Road
Shanghai, PRC

Legal Advisors to the Sole Sponsor and the Underwriters	*As to Hong Kong law:* **Sidley Austin** Level 39, Two International Finance Centre 8 Finance Street Central Hong Kong *As to PRC law:* **Allbright Law Offices** 11/F-12/F Shanghai Tower 501 Yincheng Middle Road Pudong New Area Shanghai, PRC
Independent Auditor and Reporting Accountants	**Deloitte Touche Tohmatsu** *Certificated Public Accountants* 35/F, One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 Nanjing West Road Shanghai, PRC
Receiving Banks	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong **Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong

Registered Office and Headquarters in the PRC	11/F, Tower B & 3/F Yuehong Plaza, No. 88 Hongcao Road Xuhui District Shanghai, PRC
Principal place of business in Hong Kong	31/F, Tower Two Times Square, 1 Matheson Street Causeway Bay, Hong Kong
Company Website	**www.transwarp.cn** *(the information contained on this website does not form part of this prospectus)*
Joint Company Secretaries	**Ms. LI Yiduo (李一多)** Room 202, No. 16, Lane 251 Zhenjin Road, Putuo District Shanghai, PRC **Mr. POON Kin Hei (潘健希)** *(an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 31/F, Tower Two Times Square, 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	**Ms. LI Yiduo (李一多)** Room 202, No. 16, Lane 251 Zhenjin Road, Putuo District Shanghai, PRC **Mr. POON Kin Hei (潘健希)** 31/F, Tower Two Times Square, 1 Matheson Street Causeway Bay Hong Kong
Audit Committee	Mr. MA Dongming *(Chairperson)* Mr. LIU Dong Ms. LIU Jin
Nomination Committee	Mr. LIU Dong *(Chairperson)* Ms. LIU Jin Mr. SUN Yuanhao
Remuneration and Appraisal Committee	Mr. LIU Dong *(Chairperson)* Mr. MA Dongming Mr. SUN Yuanhao
Strategy Committee	Mr. SUN Yuanhao *(Chairperson)* Mr. ZHANG Liming Mr. LV Cheng
Compliance Advisor	**China Everbright Capital Limited** 33/F, Everbright Centre 108 Gloucester Road Wanchai, Hong Kong

H Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Bank	**China Merchants Bank,** **Shanghai Tianlin Branch** Building 15, No. 140 Tianlin Road Xuhui District, Shanghai PRC

Certain information and statistics set out in this section and elsewhere in this prospectus are derived from various official government and other publicly available sources, and from the market research report prepared by Frost & Sullivan, an independent industry consultant which was commissioned by us (the "Frost & Sullivan Report"). No independent verification has been carried out on the information from official government sources by us, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries or any other parties (other than Frost & Sullivan) involved in the Global Offering or their respective directors, officers, employees, advisors, agents or representatives, and no representation is given as to the accuracy. Unless and except as otherwise specified, the market and industry information and data presented in this section is derived from the Frost & Sullivan Report. The information and statistics contained in this section may not be consistent with other information and statistics compiled within or outside of China. As a result, you are advised not to place undue reliance on such information.

OVERVIEW OF AI SOFTWARE MARKET IN CHINA

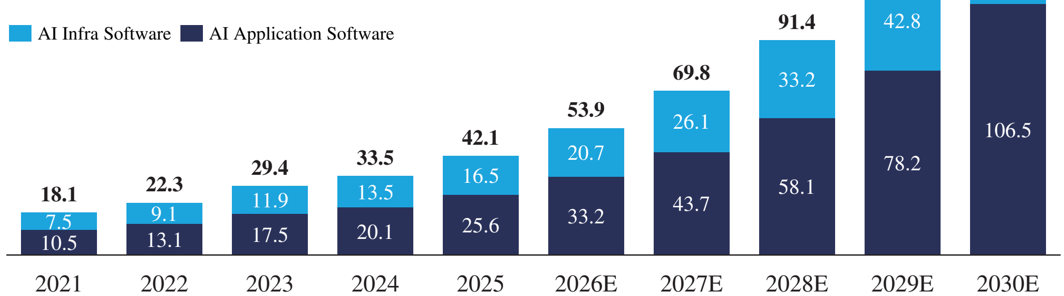
Development of AI Software Market in China

AI software refers to software products designed for enterprises, leveraging artificial intelligence technologies to empower business process optimization, decision-making support, product innovation, and operational efficiency improvements through private deployment. This category includes AI infrastructure software that supports data processing, model training and deployment, and AI application software tailored to various business scenarios. AI software is widely applied in industries such as finance, manufacturing, retail, government and many others, serving as a key technology enabler for enterprises' digital and intelligent transformation.

The market size of AI software market, in terms of revenue, has grown from RMB18.1 billion in 2021 to RMB42.1 billion in 2025, representing a CAGR of 23.5% from 2021 to 2025. Looking forward, the market size of AI software market in China, in terms of revenue, is expected to reach RMB162.2 billion in 2030 with a CAGR of 31.7% from 2026 to 2030.

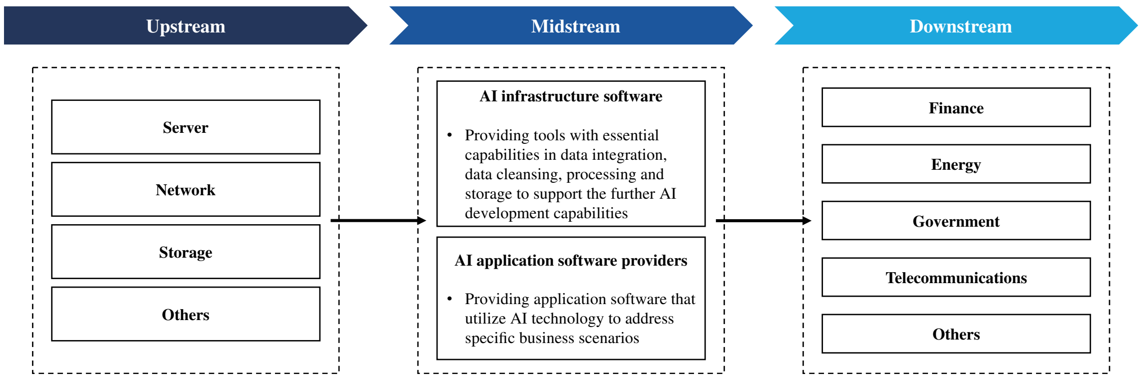
AI Software Market in China
RMB Billion, 2021-2030E

CAGR	2021-2025	2026E-2030E
Total	**23.5%**	**31.7%**
AI Infra Software	21.8%	28.1%
AI Application Software	25.0%	33.8%



Source: Desk research, National Bureau of Statistics, Frost & Sullivan

AI software value chain consists of three key segments. The upstream segment primarily consists of IT providers supplying hardware such as servers, networks, and storage. The midstream segment mainly includes AI infrastructure software providers, where we belong, that provide tools with essential capabilities in data integration, data cleansing, processing and storage to support the further AI development capabilities, and AI application software providers that provide application software that utilize AI technology to address specific business scenarios. The downstream segment comprises enterprises that adopt AI software, which can be further categorized into industries such as finance, energy, government, telecommunications, and others.



Drivers of AI Software Market in China

- ***Industry Demand.*** Enterprises in China are moving beyond initial pilot projects and embedding AI software into core business processes, making AI become a foundational component of their digital transformation across different application scenarios. For example, AI software can be used in marketing and sales, providing personalized recommendations and improving customer service through chatbots, helping enterprises better understand consumer behavior and improve overall customer experience.

- ***Continuously Improving Computing Infrastructure.*** China's total computing power has grown from 140 EFlops in 2021 to approximately 300 EFlops in 2025. The continuous improvement of computing infrastructure provides a stable and abundant environment for AI software, significantly expanding the business scenarios in which AI software can be deployed, thus becoming a major driver of the AI software market in China.

- ***Growth of Data Amount and Data Capability.*** The strategic utilization of vast amounts of data has become a key driver for China's AI software market, particularly in data-intensive AI training and reasoning. Supported by government-led initiatives, the massive volume of data stem from China's large population and rapidly growing digital economy, fosters a dynamic environment for AI innovation. China's total annual data production in 2025 reached approximately 52 ZB. This data volume, coupled with advanced processing techniques, unlocks its value for AI software development. For instance, the ability to integrate and process multimodal data, such as text, images, video, and audio, is foundational for creating sophisticated AI software, particularly in the rapidly evolving field of multimodal LLMs.

Future Trends of AI Software Market in China

- ***Maturer Data Processing Capability.*** A significant future trend for the AI software market in China is the maturing of data processing capabilities, which will be essential for developing the next generation of AI applications. The focus is rapidly shifting beyond simply integrating vast amounts of data to strategically processing complex multimodal data from diverse sources. This is expected to become the foundational capability for the development and commercialization of advanced AI software, particularly in the area of multimodal LLMs.

- ***Further Integration of AI Software into Enterprises' Operation.*** AI software is expected to be further embedded into enterprises' daily operational processes, providing intelligent support across the entire business workflow. It improves operational efficiency and decision-making quality, and empowers in areas such as customer insights, risk control, and content generation, enabling AI software providers to deliver high value-added services to enterprises.

OVERVIEW OF AI INFRASTRUCTURE SOFTWARE MARKET IN CHINA

Development of AI Infrastructure Software Market in China

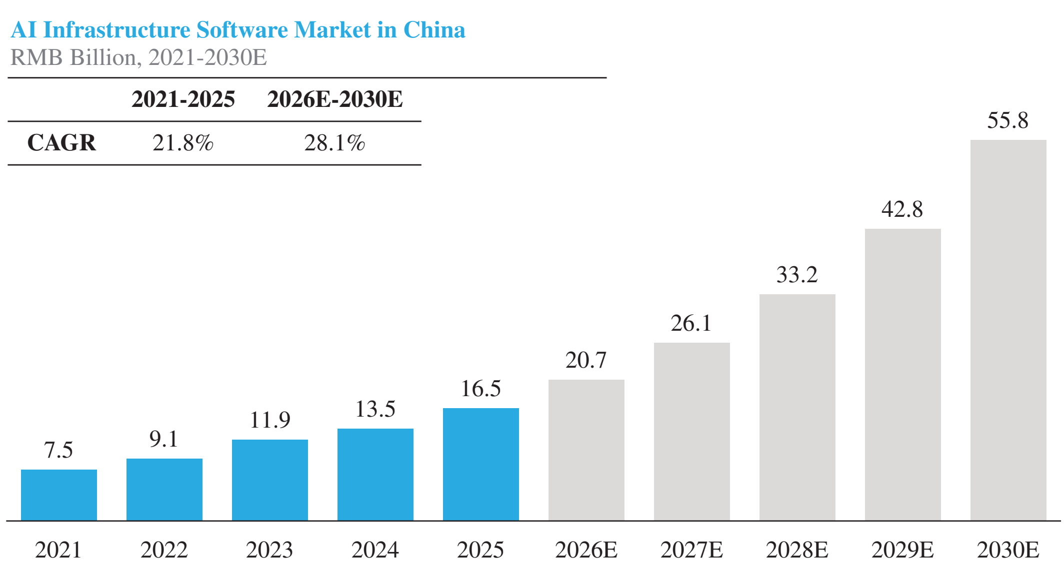
AI infrastructure software encompasses tools that provide essential capabilities in data integration, data cleansing, processing and storage to support the further AI development capabilities, which empower organizations to develop robust AI capabilities through private deployment. Widely adopted across diverse industries, including finance, manufacturing, retail, government, and beyond, AI infrastructure software enables organizations to strengthen their AI capabilities and accelerate their digital and intelligent transformation, driving efficiency and innovation.

The value of AI infrastructure software includes improving data management efficiency, accelerating LLM deployment within enterprises, and enhancing data and model security:

- ***Transforming Raw Data into High-quality Data Assets.*** Many enterprises suffer from fragmented data assets, siloed systems, and overreliance on employee experience. Data are often stored in disparate formats across systems, increasing operations and maintenance costs and reducing development efficiency. By contrast, AI infrastructure software integrates functionalities such as data cleansing, generation, labeling, and storage, enabling unified access and centralized management of heterogeneous data sources within the enterprises. AI infrastructure software enhances overall data usability and significantly reduces data silos and redundancy, laying the foundation for building a well-structured and semantically consistent data asset system. Through standardized and automated data processing workflows, enterprises can reduce the manual costs of data governance while improving the efficiency of data analysis and model training.

- ***Reduce Application Development Difficulty.*** As enterprises increasingly adopt AI technologies, they face growing challenges in developing and deploying AI applications effectively and efficiently. AI infrastructure software plays a crucial role in simplifying these processes, including streamlining the processes of the collection, organization and management of data, and ensuring high-quality, structured data for training models. Additionally, AI model development software provides a framework for designing, testing, and iterating models, reducing the complexity of building AI applications. By automating workflows, enabling seamless integration, and offering real-time monitoring, AI infrastructure software helps enterprises leverage AI more effectively across various business functions.

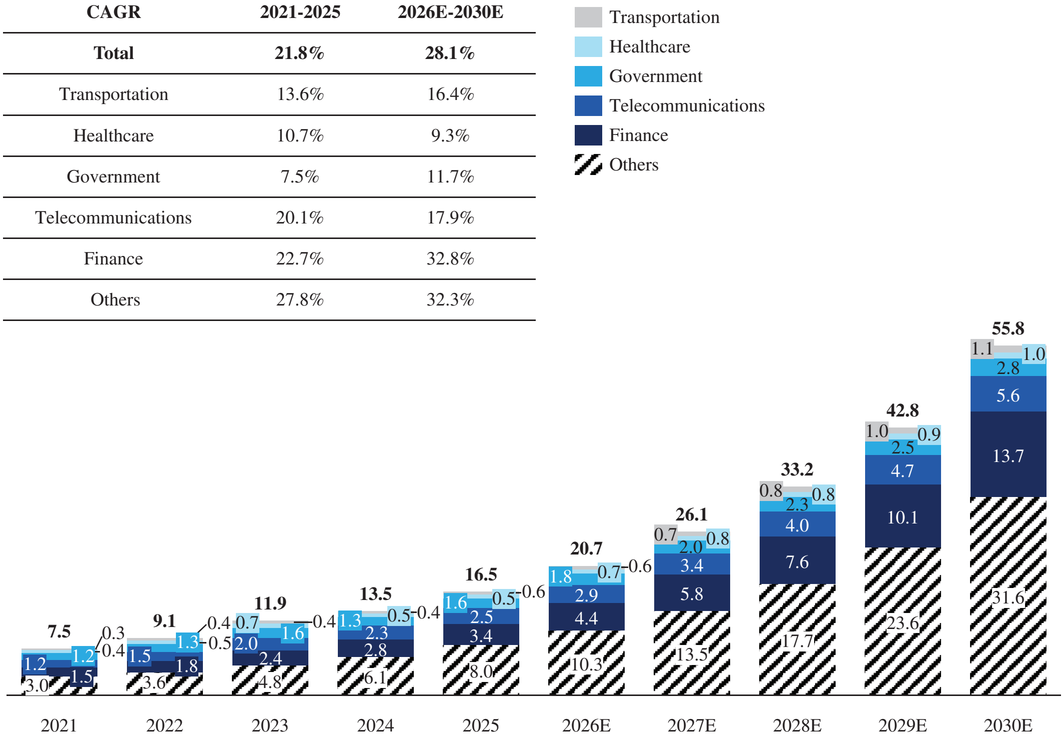
The market size of AI infrastructure software market, in terms of revenue, has grown from RMB7.5 billion in 2021 to RMB16.5 billion in 2025, representing a CAGR of 21.8% from 2021 to 2025. Looking forward, the market size of AI infrastructure software market in China, in terms of revenue, is expected to reach RMB55.8 billion in 2030 with a CAGR of 28.1% from 2026 to 2030.



Source: Desk research, National Bureau of Statistics, Frost & Sullivan

AI Infrastructure Software Market in China
RMB Billion, 2021-2030E

CAGR	2021-2025	2026E-2030E
Total	**21.8%**	**28.1%**
Transportation	13.6%	16.4%
Healthcare	10.7%	9.3%
Government	7.5%	11.7%
Telecommunications	20.1%	17.9%
Finance	22.7%	32.8%
Others	27.8%	32.3%



Source: Desk research, National Bureau of Statistics, Frost & Sullivan

Drivers of AI Infrastructure Software Market in China

- ***Growing Demand for Enterprise Digital Transformation.*** As enterprises seek to harness the power of AI, AI infrastructure software allows enterprises to develop and deploy AI more effectively and efficiently. For example, AI development platforms automate repetitive tasks and optimize data recognition, classification, and management processes, thereby enabling more efficient handling of massive datasets, accelerating the training and deployment of AI models, and replacing the traditional practice of developing AI models independently. As enterprises increasingly rely on AI to streamline operations and gain competitive advantages, the growing need for robust AI infrastructure is fueling the market demand for these solutions.

- ***Technological Progress and Innovation.*** The development of AI infrastructure software benefits from continuous breakthroughs in foundational technologies. Advances in cloud computing and edge computing have significantly improved resource scheduling and elastic scalability, enabling AI to be deployed and operated more efficiently across different environments. The development of AI agent technology can be applied to AI infrastructure software to help enterprises rapidly develop AI applications.

- ***Favorable Policies.*** PRC government has promulgated a series of strategic plans promoting digital transformation and intelligent development, such as the "14th Five-Year National Informatization Plan" and the "14th Five-Year Digital Economy Development Plan," which provide robust policy guidance and assurance for AI infrastructure construction and application. These policies reduce uncertainty for enterprises investing in AI infrastructure, and offer systematic support in funding, standards, and ecosystem development. As a result, technical supply, maturity of application scenarios, and innovation capacity in the market have all significantly improved, creating a favorable environment for enterprise adoption of AI infrastructure software.

Future Trends of AI Infrastructure Software Market in China

- ***The Application of Multimodal LLMs.*** As enterprises seek to extract deeper value from their data, multimodal LLMs are becoming increasingly central to AI infrastructure software. These models integrate the processing of text, images, speech, and other data types, enhancing the software's ability to understand and express information. They also enable the management of unstructured data within a unified framework, allowing enterprises to better integrate internal data assets and enhance the intelligent processing of complex tasks. Going forward, AI infrastructure software will increasingly support multimodal models through unified systems that encompass data ingestion, model training, and inference deployment, enabling seamless integration of diverse and heterogeneous data sources.

- ***Widespread Use of AI Agents.*** AI agents are expected to be widely applied in key tasks in the AI infrastructure software market in China, such as data standardization, governance, and quality inspection. These tools are driving a shift from "manual rule-based" management to "agent-driven automation." By introducing AI agents capable of continuous learning, enterprises can automatically process corpora and align text with speech, improving both the efficiency and accuracy of data governance. This reduces the reliance on manual data engineering while driving the AI infrastructure software market toward smarter, more autonomous, and sustainable data management systems, becoming a key enabler for high-quality enterprise data assets.

- ***Out-of-the-Box AI Infrastructure Software.*** The AI infrastructure software market in China is increasingly shifting toward out-of-the-box solutions, with more providers offering pre-configured, low-barrier, and highly integrated software. These solutions enable enterprises to quickly establish environments for model training, deployment, and operation, eliminating the need for in-house experts or high-performance computing resources. This trend narrows the core AI technology-commercialization gap and supports plug-and-play model and data functionalities, significantly enhancing operational efficiency.

Competitive Landscape of AI Infrastructure Software Market in China

The AI infrastructure software market in China is relatively fragmented. There are over 200 AI infrastructure software providers in China. In terms of revenue in 2025, we are the fifth largest AI infrastructure software provider in China, with a market share of 2.7%.

Ranking of Top AI Infrastructure Software Providers in China			
Ranking	**Company**	**Revenue (RMB Million, 2025)**	**Market Share (%, 2025)**
1	Company A	1,562	9.4%
2	Company B	1,336	8.1%
3	Company C	641	3.9%
4	Company D	477	2.9%
5	The Company	447	2.7%
	Subtotal	**4,463**	**27.0%**

Notes:

(1) Company A is a private company which is primarily engaged in ICT infrastructure, cloud computing, and others.

(2) Company B is a public company which primarily provides platform-centric AI solutions for enterprises.

(3) Company C is a public company which is primarily engaged in cloud computing, local lifestyle services, digital media, and others.

(4) Company D is a public company which is primarily engaged in entertainment, marketing services, financial technology, and others.

Source: Desk research, Expert interview, Frost & Sullivan

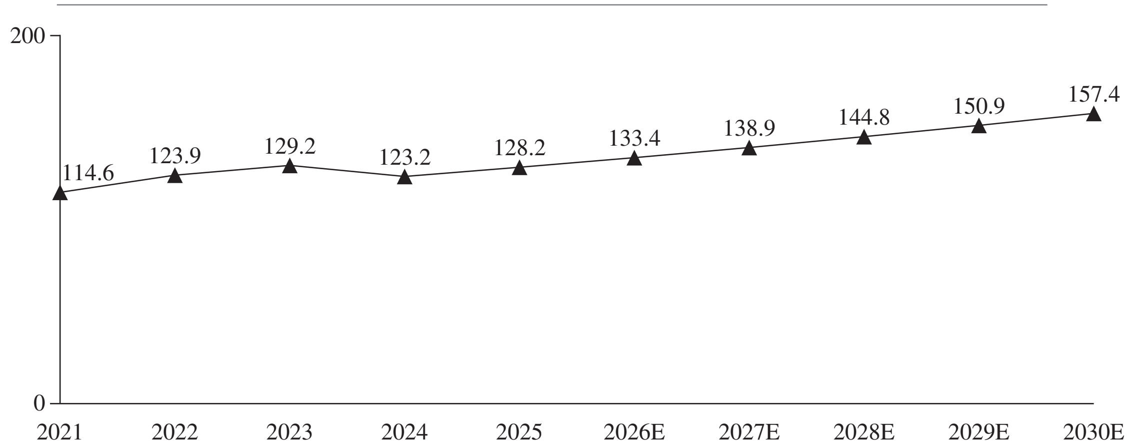
The following table also exhibits the advantages of the Group's products.

	Big Data and Cloud Infrastructure Platform Software	Distributed Database Software	Data and AI Development Tools
Value-added benefits	• Big data infrastructure empowers to process and analyze extremely large datasets, often ranging from tens of terabytes to petabyte-level, supporting enterprise-wide strategic and decision-making analysis • Cloud infrastructure enables unified deployment and elastic scaling of data and computing services across private, public, and hybrid cloud environments	• Designed for high-performance analytical processing in enterprise-scale scenarios • Also designed for high concurrency, strong consistency, and low-latency high-performance online transaction processing	• Designed to enable users to build, manage, and operate data assets across complex environments through integrating a suite of visual and low-code tools • Designed to support AI model development, including data preprocessing, training, evaluation, deployment, and monitoring, across structured, semi-structured, and unstructured data
Competitive Advantages	• Provides the fullest types of multimodal data including relational, key value, graph, search engine, wide column, text/XML/Json, object, geospatial, time series, event, and vector	• Full SQL standard syntax support, compatibility with Oracle, IBM DB2, and Teradata dialects, compatibility with Oracle and DB2 storage procedures, and smooth data migration	• Covering full lifecycle multimodal data development and AI development capability in a low-code and independent manner, with functions such as corpus data classification and hierarchical cataloging, corpus labeling, corpus management, and others
Key Performance Parameters	• Supports petabyte level of multimodal data storage and computation across 11 types of multimodal data	• Number of Query Test Passed in 1T database size reached 22	• Supports millions of tasks on a daily basis

Labor expenses represent the Group's major cost component in China's AI infrastructure software market. Fluctuation of such expense is considered relatively stable, although salary growth has been slowing down in recent years due to a sluggish job market, it is expected to resume moderate growth in the future in line with the market recovery. The average annual urban salary for employees in private companies within China's information transmission, software, and IT services industry increased from RMB114.6 thousand in 2021 to RMB128.2 thousand in 2025, reflecting a CAGR of 2.8% from 2021 to 2025, and is expected to reach RMB157.4 thousand in 2030 with a CAGR of 4.2% from 2025 to 2030.

Average Annual Urban Salary for Employees in Private Companies within China's Information Transmission, Software, and IT Services Industry

RMB Thousand, 2021-2030E



Source: Desk research, National Bureau of Statistics, Frost & Sullivan

Entry Barriers of AI Infrastructure Software Market in China

- ***Technical Barriers.*** AI infrastructure software presents multiple layers of technical barriers. For example, when dealing with large-scale multimodal data, enterprises must master efficient distributed computing technologies to enable fast training and low-latency inference. In addition, continuous technological innovation is essential. Given the rapid iteration of AI technologies, providers must significantly invest in R&D and stay at the forefront of innovation to maintain a competitive edge.

- ***Industry Know-How.*** Enterprises' needs for AI infrastructure software are often highly customized. Enterprises expect providers to provide tailored AI infrastructure software that meet their specific business requirements. Therefore, AI infrastructure software providers must accumulate in-depth knowledge of enterprises' workflows, data characteristics, and application scenarios over time. Only by offering customized services that align with enterprises' needs can AI infrastructure software providers build stable and long-term partnerships with enterprises.

- ***Data Management Capabilities.*** Data is the core asset of AI infrastructure software, and the ability to manage data effectively directly determines the performance and reliability of AI software. Enterprises must possess robust capabilities in data cleaning, labeling, and storage to ensure high data quality and availability.

- ***Talent Barriers.*** The AI infrastructure software industry involves several complex technical domains, including machine learning, deep learning, high-performance computing, and data science. Enterprises need to recruit and cultivate many highly skilled professionals. Talent development requires long-term investment and accumulation, making it difficult for new entrants to build a strong talent pool in a short period of time.

- ***Capital Barriers.*** There are significant capital barriers in AI infrastructure software market in China. The market requires substantial upfront investment in R&D, as well as ongoing product optimization and technological upgrades. Areas such as LLMs, distributed computing, and low-level architecture optimization demand significant resource allocation to build capable technical teams and stable system architectures. As a result, AI infrastructure software providers with limited financial strength may struggle to sustain long-term investment, new entrants face difficulties in overcoming the capital barriers.

- ***Brand Barriers.*** In AI infrastructure software market, enterprises' purchasing decisions heavily rely on an AI infrastructure software provider's reputation and project experience in this industry. Since this type of software is often embedded in critical business processes and incurs high switching costs once deployed, enterprises tend to choose providers with proven and stable capabilities and strong reputations.

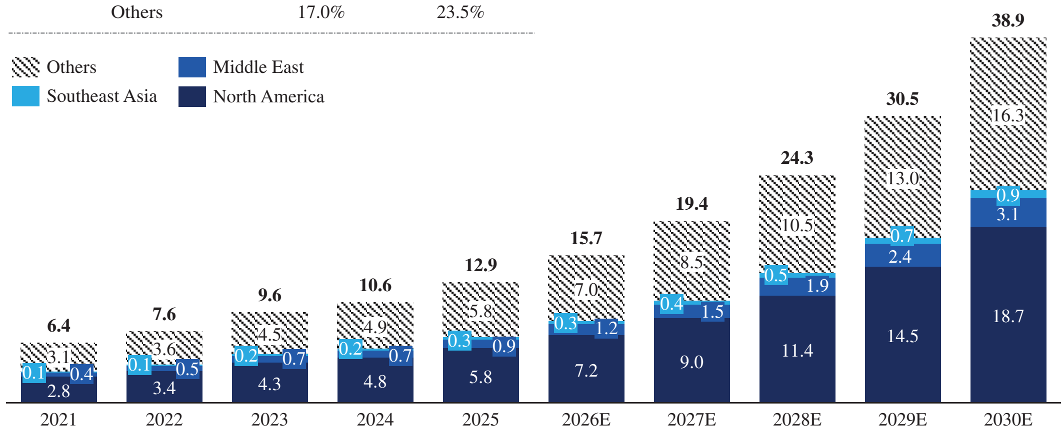
OVERVIEW OF OVERSEAS AI INFRASTRUCTURE SOFTWARE MARKET

Development of Overseas AI Infrastructure Software Market

The market size of overseas AI infrastructure software market, in terms of revenue, has grown from USD6.4 billion in 2021 to USD12.9 billion in 2025, representing a CAGR of 19.2% from 2021 to 2025. Looking forward, the market size of overseas AI infrastructure software market, in terms of revenue, is expected to reach USD38.9 billion in 2030 with a CAGR of 25.5% from 2026 to 2030.

Overseas AI Infrastructure Software Market
USD Billion, 2021-2030E

CAGR	2021-2025	2026E-2030E
Total	**19.2%**	**25.5%**
North America	20.0%	26.9%
Middle East	22.5%	26.8%
Southeast Asia	31.6%	31.6%
Others	17.0%	23.5%



Source: Desk research, CAICT, Frost & Sullivan

Overseas AI infrastructure software providers include well-known cloud service providers and software providers dedicated in provision of AI infrastructure software. The Company has developed technical capabilities that rival those of the global players in the overseas AI infrastructure software market, underscoring its strong technological capabilities.

	Descriptions	Key Capabilities	The Company
Data Engineering	➢ A systematic process of designing, developing, and managing systems and infrastructure for collecting, storing, processing, and transforming data into usable formats for analysis and further AI model training	• ***Integration of data lakes and data warehouse:*** Supporting more cost-effective and efficient data processing capability by combing both advantages of data lakes and data warehouse	✓
Multi-Modal Data Management	➢ A systematic process of managing diverse types of data to support different data models to meet the demand of developing generative AI applications	• ***Multi-modal data management:*** Processing and storing tables, documents, images, audios, and videos, etc., into databases, which support vector, full-text index, graph, document, relational, time-series, and multiple other data models, in order to meet the demand of generative AI to retrieve, analyze and process various type of data	✓
Knowledge Engineering	➢ A systematic process of creating and maintaining domain-specific knowledge, which further allow AI to perform human-like reasoning and problem-solving	• ***Long-term memory system:*** Storing vast amount of semantic information, and ensure that knowledge is retained over time and used for future reasoning • ***Knowledge graph:*** Capturing entities, such as people, places, things, or concepts, and the relationships between them to help organizations transform fragmented, unstructured data into structured, actionable knowledge • ***Document metadata management:*** Cataloging vast numbers of documents into tree-hierarchy structure or graph structure based on document metadata to achieve high knowledge recall rate	✓
Corpus Processing	➢ A systematic process of analysis and process of a corpus which consists of both of textual or audio data used for machine learning tasks	• ***Preprocessing:*** Removing noise data such as irrelevant or malformed data, correcting inconsistencies, and standardizing formats, and tokenizing text into data to be further used for AI training • ***Annotation:*** Automatically labeling and tagging data with relevant information which helps to scale corpus annotation efforts • ***Data synthesis:*** Generating data that is representative of the patterns, distributions, and relationships found in actual data, without directly relying on real-world data sources through AI	✓
ML & LLM Operational System	➢ A set of practices, tools, and workflows that streamline and automate the deployment and training of AI models in production environments	• ***Deployment:*** Supporting rapid deploying ability of LLM (including multimodal models, embedding models, and reranker models), as well as traditional models (e.g., NLP, CV, OCR) with fine-grained access control and traffic control in both single-node or distributed deployment • ***Training:*** Supporting training ability of LLMs, from post-pretrain to fine-tuning phases with proper version control and training data traceability; Supporting unsupervised pre train, supervised fine tuning and reinforcement learning; Supporting both full-parameter training and partial-parameter training such as LoRA, QLoRA	✓
Agent Development	➢ The process of creating autonomous or semi-autonomous systems, often called "agents"	• ***Zero-code agent construction:*** Providing tools that abstract away the need for manual coding • ***Low-code agent construction:*** Providing predefined operators to enable user orchestrating their own workflow, including RAG workflow and data processing workflow • ***Agent service management:*** Providing rapid deployment of agents, with both API access and Chat UI access, with the capability to scale in or out based on the metrics of the current traffic and workload	✓

Source: Frost & Sullivan

Drivers of Overseas AI Infrastructure Software Market

- ***Chinese Enterprises' Global Expansion.*** In recent years, amid intensifying competition in the domestic market, a number of Chinese enterprises across diverse industries have been seeking to expand their business and diversify revenue streams through overseas expansion. This outbound momentum has driven enterprises from various sectors in China to more actively adopt AI infrastructure software which has already been tested in the Chinese market, to accelerate the deployment of AI capabilities overseas and gain stronger competitiveness abroad. The trend of Chinese enterprises' global expansion has created abundant overseas opportunities for AI infrastructure software providers.

- ***Favorable Policies in Overseas Countries and Regions.*** Many governments around the world have implemented favorable policies to promote the development of the AI infrastructure software industry. Southeast Asian countries have also introduced favorable policies related to AI infrastructure software, such as Malaysia's "National AI Roadmap" and Thailand's "National AI Strategy and Ethics Guidelines," both of which identify AI as a driver of economic growth. In the Middle East, Saudi Arabia has launched "Project Transcendence," which plans to invest up to USD100 billion in an artificial intelligence initiative program. These favorable policies provide natural application scenarios for AI infrastructure software and stimulate the market demand in the overseas AI infrastructure software market.

Future Trends of Overseas AI Infrastructure Software Market

- ***Increased Focus on Data Privacy and Security.*** As AI technology becomes more deeply embedded in many critical enterprise systems, there is a growing emphasis on safeguarding sensitive data and ensuring the integrity of AI infrastructure software. Overseas enterprises are expected to prioritize robust data privacy measures and strengthen security protocols, in response to rising concerns about data privacy and the need for transparent ethical AI practices.

- ***Chinese AI Infrastructure Software Providers Going Global.*** Leveraging high product performance and a comprehensive range of capabilities, Chinese AI infrastructure software providers are actively participating in the competition in the overseas AI infrastructure software market. With product and service experience refined in the Chinese market, Chinese AI infrastructure providers are expected to serve an increasing number of overseas enterprises in the future.

SOURCE OF INFORMATION

In connection with the Global Offering, we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the markets in which we operate. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. We have agreed to a total of RMB0.4 million in fees and expenses for the preparation and use of the Frost & Sullivan Report. The payment of such an amount was not contingent upon our successful Listing or on the results of the Frost & Sullivan Report. Apart from the Frost & Sullivan Report, we have not commissioned any other industry report in connection with the Global Offering.

We have extracted certain information from the Frost & Sullivan Report in this section, as well as in the sections headed "Summary," "Risk Factors," "Business," "Financial Information" and elsewhere in this prospectus to provide our potential investors with a more comprehensive presentation of the industries in which we operate. Unless otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report, various official government publications and other publications. Frost & Sullivan prepared its report based on its in-house database and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan interviews companies operating in the industry to gather and synthesize information in relation to the market and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan's research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

Our business operations are subject to extensive supervision and regulation from the PRC government. This section sets out a summary of the main laws and regulations applicable to our business within the territory of the PRC.

LAWS AND REGULATIONS ON CORPORATION AND FOREIGN INVESTMENT

The Standing Committee of the National People's Congress ("**SCNPC**") promulgated the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**") on December 29, 1993, which took effect on July 1, 1994, and subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018; and December 29, 2023 (with the latest amendments coming into force on July 1, 2024), stipulating that enterprises established in China may adopt either the form of a limited liability company or a company limited by shares. Each company shall enjoy the status of a legal person and hold assets in its own name. Unless otherwise provided by relevant laws, the Company Law applies to foreign-invested enterprises. As a company established in China, we are subject to the relevant provisions of the Company Law regarding the establishment, operation, dissolution, and other corporate actions.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**"), which was promulgated by the National People's Congress on March 15, 2019 and implemented on January 1, 2020, establishes the management system for pre-access national treatment and negative list for foreign investment in the PRC. "Pre-access national treatment" means that foreign investors and their investments shall be treated no less favorably than domestic investors and their investments at the stage of investment access; "negative list" refers to the special administrative measures for access of foreign investment in specific fields as prescribed by the PRC. The PRC gives national treatment to foreign investment outside the negative list. In addition, 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》) (the "**Implementation Regulations**"), which came into effect on January 1, 2020, further stipulates that the PRC shall, according to the needs of national economic and social development, formulate a catalog of encouraged foreign-invested industries, and specify the specific industries, fields and regions in which foreign investors are encouraged and guided to invest.

The Special Administrative Measures (Negative List) for Foreign Investment Access (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**2024 Negative List**") is issued by the National Development and Reform Commission ("**NDRC**") and the Ministry of Commerce of the PRC ("**MOFCOM**") jointly on September 6, 2024, to replace the previous encouraging catalog and negative list thereunder. Pursuant to the FIL, the Implementation Regulations and the 2024 Negative List, foreign investors shall not make investments in prohibited industries as specified in the negative list, while foreign investments must satisfy certain conditions stipulated in the negative list for investment in restricted industries. Industries not listed in the negative list are generally deemed "permitted" for foreign investments.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) (the "**Measures**") promulgated by NDRC and MOFCOM on December 19, 2020 and effective from January 18, 2021, foreign investments that have an actual or potential impact on national security are subject to security review in accordance with the provisions of the Measures. Foreign investors or relevant domestic parties who intend to invest in the following areas should proactively apply to the mechanism's office for a security review prior to implementation of the investment: (1) investment in defense, defense support and related sectors that have a bearing on national defense security, as well as investment in areas surrounding military and defense facilities; (2) investment in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies, and other important sectors related to national security, while obtaining actual control over the invested enterprise.

REGULATIONS ON VALUE-ADDED TELECOMMUNICATIONS SERVICES

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "**Telecommunications Regulations**"), promulgated on September 25, 2000 by the State Council and most recently amended on February 6, 2016, are the primary regulations governing telecommunications services. Under the Telecommunications Regulations, a telecommunications service provider is required to procure operating licences prior to the commencement of its operation. The Telecommunications Regulations categorize all telecommunication services in China as either basic telecommunications services or value-added telecommunications services and operators of value-added telecommunications services shall obtain value-added telecommunications business operation licenses from the Ministry of Industry and Information Technology (the "**MIIT**") or its provincial branches prior to the commencement of such services.

Moreover, according to the Classification Catalogue of Telecommunications Services (2015) (電信業務分類目錄(2015年版)) (the "**Classification Catalogue**"), which was promulgated by the MIIT in 2015, and latest amended in 2019, information services provided for users through the public communication network or the Internet by relying on the information collection, development, processing and information platform construction are value-added telecommunications services.

As a subcategory of the value-added telecommunications services, internet information services are regulated by the Administrative Measures on Internet Information Service (互聯網信息服務管理辦法) (the "**Internet Measures**"), which was promulgated by the State Council in 2000 and was last amended in December 2024. Internet information services are divided into services of commercial nature and non-commercial nature. Commercial internet information services refer to for-profit services which provide information to or create web pages for online users through the Internet, and a commercial internet information service provider shall obtain a license to operate value-added telecommunications business in internet-based information services from appropriate telecommunications authorities. The content of internet information is strictly regulated in the PRC, and the Internet Measures impose monitoring obligations on service providers. The PRC government maintains authority to require correction of violations and potentially revoke the value-added telecommunications business operation license (《增值電信業務經營許可證》) for internet information service providers found in breach of content restrictions.

Furthermore, the MIIT Circular on Regulating the Use of Domain Names in Internet Information Services (工業和信息化部關於規範互聯網信息服務使用域名的通知), issued on November 27, 2017 and came into effect on January 1, 2018, requires internet information service providers to register and own the domain names they use in providing internet information services.

Foreign Investment in Valued-Added Telecommunications Business

According to the 2024 Negative List, the value-added telecommunications services (excluding e-commerce business, domestic multi-party communications, store-and-forward and call centers) fall into the "restricted" category. Foreign direct investment in telecommunications companies in China are governed by the Provisions on Administration of Foreign-Invested Telecommunications Enterprises (外商投資電信企業管理規定), which was promulgated by the State Council on December 11, 2001, and revised in 2008, 2016, 2022. The Provisions on Administration of Foreign-Invested Telecommunications Enterprises revised in 2022 abolishes the requirements of the main investor who must demonstrate a good track record and experience in operating a value-added telecommunication business and requires foreign-invested value-added telecommunications enterprises in China to be established as Sino-foreign equity joint ventures, which the foreign investors may acquire up to 50% of the equity interests of such enterprise. In light of our value-added telecommunication business licenses, we must also comply with the Foreign Investment Law and the 2024 Negative List, which impose restrictions on foreign investment equity ratios and other regulatory requirements, particularly given our foreign investors after the Global Listing. According to the above foreign investment restrictions, the total proportion of foreign investors holding the Company's shares shall not exceed 50% after the completion of the Global Offering.

LAWS AND REGULATIONS ON CYBERSECURITY, DATA SECURITY AND PRIVACY PROTECTION

Laws and Regulations on Cybersecurity

The National Security Law of the PRC (《中華人民共和國國家安全法》) promulgated and becoming effective on July 1, 2015, pursuant to which the state shall safeguard the sovereignty, security and cybersecurity development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investments, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") promulgated on November 7, 2016 and becoming effective on June 1, 2017, is applied 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 fulfil the obligations to safeguard the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with 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 availability of network data, and network operators shall not collect the personal information irrelevant to the services provided, or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

The Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Cybersecurity Review Measures**") jointly revised and promulgated by the Cyberspace Administration of China (the "**CAC**") and other twelve PRC regulatory authorities on December 28, 2021, became effective on February 15, 2022. The Cybersecurity Review Measures provides that, among others, (i) critical information infrastructure operators that purchase network products and services or network platform operators that engage in data processing activities that affect 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 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 enterprise's network products or services, or data processing activities affect or may affect national security.

Laws and Regulations on Data Security

The Data Security Law of PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**") promulgated on June 10, 2021 and becoming effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding the establishment of basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency response system. In addition, the Data Security Law clarifies the data security protection obligations of organizations and individuals carrying out data activities and implements data security protection responsibilities.

The Administration Regulations on Network Data Security (《網絡數據安全管理條例》) (the "**Data Security Regulations**") promulgated by the State Council on September 24, 2024, which became effective on January 1, 2025, stipulates that where network data processors carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations. The Data Security Regulations provide detailed implementing rules and guidance on various aspects of data compliance requirements under the existing data protection framework pillars of the Cybersecurity Law, the Data Security Law and the Personal Information Protection Law. The Data Security Regulations supplement the requirements on several aspects of the Personal Information Protection Law regarding notification, consent, and the exercise of personal rights, provide more detail on compliance requirements for processors of important data, and also provide more guidance to streamline cross-border data transfers.

On March 22, 2024, the CAC issued the Provisions on the Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》). According to these provisions, the transfer of data collected and generated during specific activities such as international trade, cross-border transport, transnational manufacturing, and marketing, which do not involve personal information or important data, is exempted from the requirements to undergo data export security assessment, the need to enter into standard contracts for the transfer of personal information abroad, or obtaining personal information protection certification. These provisions also stipulate that, if a data processor, who is not a critical information infrastructure operator, transfers personal information of less than 100,000 individuals cumulatively as of January 1 of the current year, it may be exempted from the requirement to undergo a data export security assessment, entering into a standard contract for transferring personal information abroad, or obtaining personal information protection certification. According to our self-assessment, up to the Latest Practicable Date, we were exempted from the requirements to undergo data export security assessment, the need to enter into standard contracts for the transfer of personal information abroad, or obtaining personal information protection certification.

Regulations on Privacy Protection

Pursuant to the PRC Civil Code (《中華人民共和國民法典》), personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of the others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of the others, or illegally purchase or sell, provide, or make public personal information of the others.

On November 28, 2019, the CAC, MIIT, the Ministry of Public Security and SAMR jointly issued the Measures to identify illegal Collection and Usage of Personal Information by Apps (《App違法違規收集使用個人信息行為認定方法》), which came into effect on the same day and lists six types of illegal collection and usage of personal information, including "non-disclosure of collection and use rules", "failure to expressly state the purpose, method and scope of collecting and using personal information", "collection or use of personal information without the consent of users", "collection of personal information unrelated to the services they provide in violation of the principle of necessity", "provision of persona information without consent" and "failure to provide the function of deleting or correcting personal information in accordance with the law" or "failure to disclose the information such as ways of filing complaints and whistleblowing reports".

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**") promulgated on August 20, 2021, 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 shall 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 shall be notified as required by laws and administrative regulations. Based on the processing purposes and processing methods of personal information, types of personal information, impacts on personal rights and interests, and possible security risk, etc., personal information processors shall also take the following measures to ensure that personal information processing activities comply with laws and administrative regulations 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.

Where personal information is processed in violation of the provisions of the Personal Information Protection Law, or the processing of personal information fails to fulfil the personal information protection obligations thereunder, the department performing personal information protection duties shall order corrections, give warnings, confiscate illegal gains, and order to suspend or terminate the provision of services by the applications that illegally process personal information; if the personal information processor refuses to make corrections, a fine of not more than RMB1 million shall be imposed; the directly responsible person in charge and other directly responsible personnel shall be fined for not less than RMB10,000 but not more than RMB100,000. For any aforesaid illegal act with serious circumstances, the department performing personal information protection duties at or above the provincial level shall order the personal information processor to make corrections, confiscate the illegal gains, impose a fine of less than RMB50 million or less than 5% of the previous year's turnover, order the suspension of relevant business or suspend business for rectification and notify the relevant competent authority to revoke the relevant permits or business license; impose a fine of not less than RMB100,000 but not more than RMB1 million on the directly responsible person in charge and other directly responsible personnel, and may decide to prohibit them from serving as a director, supervisor, senior management and person in charge of personal information protection of related companies within a certain period of time.

Further, the Ninth Amendment to the Criminal Law of the PRC (中華人民共和國刑法修正案(九)), which issued by the SCNPC on August 29, 2015, and became effective on November 1, 2015, stipulates that any network service provider that fails to fulfill the obligations related to information network security management as required by applicable laws and administrative regulations and refuses to take corrective measures, will be subject to criminal liability for causing (i) any large-scale dissemination of illegal information; (ii) any severe effect due to the leakage of users' information; (iii) any serious loss of evidence of criminal activities; or (iv) other severe situations, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information will be subject to criminal liability in severe situations.

REGULATIONS ON ARTIFICIAL INTELLIGENCE SERVICES

On July 10, 2023, the CAC together with other relevant authorities, released the Provisional Administrative Measures for Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) ("**Generative AI Services Measures**"), which came into effect on August 15, 2023 and mainly impose compliance requirements on providers of generative AI services. According to the Generative AI Services Measures, individuals or organizations that provide generative AI services of text, image, audios, videos and other content shall be responsible as the producers of such network information content and as the personal information processors to protect any personal information involved. Providers of generative AI services shall enter into service agreements with users registering for their generative AI services and shall adopt effective measures to prevent minor underage users from over-relying or addicting to generative AI services. In the event where illegal content or users engaging in illegal activities using generative AI services are discovered, the generative AI services providers are required to take appropriate measures, including stopping the generation of such illegal content and suspending or terminating the provision of services, undergo rectifications, keep relevant records and report to the competent authority. Any provider of generative AI services with public sentiment attributes or social mobilizing capability shall conduct security assessment and complete certain filings in accordance with relevant regulations. Providers of generative AI services may be subject to penalties for non-compliance, including warning, public denouncement, rectification orders and suspension of the provision of relevant services.

On March 7, 2025, the CAC together with other relevant authorities, promulgated the Measures for the Labeling of Artificial Intelligence Generated and Synthesized Content (《人工智能生成合成內容標識辦法》), which will take effect on September 1, 2025. These measures apply to service providers that generate or distribute synthetic content using artificial intelligence technologies, including but not limited to text, images, audio, video, and virtual scenes. The measures require such providers to add explicit labels and implicit labels to the AI-generated content in accordance with laws and regulations to ensure the traceability of synthetic content, enhance public awareness, and prevent the dissemination of false or harmful information.

On November 25, 2022, the CAC, MIIT and the Ministry of Public Security promulgated the Administrative Provisions on Deep Synthesis of Internet Information Service (《互聯網信息服務深度合成管理規定》), which took effect on January 10, 2023. The "deep synthesis technology" provided in such provisions refers to the technology to generate text, graphics, radio, video, virtual scenes, among others, with the use of deep learning and virtual reality. The measures emphasize that the deep synthesis services shall not be utilized for illegal activities prohibited by laws and regulations, and specifically, the related providers of such deep synthesis services shall (i) establish and improve control systems in regard to user registration, algorithm review, technological ethic review, information public review, data security, personal information protection, anti-telecom and online fraud, emergency disposal, etc. and hold safe and controlled technical protection measures; (ii) formulate and publicize related management rules and platform pacts, improve service agreements, perform management responsibilities in accordance with laws and agreements, and inform with explicit methods the technical supporters and users of the deep synthesis of their respective information safety obligations.

REGULATIONS OF THE INDUSTRY AND INDUSTRIAL POLICIES

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the PRC and the Long-Range Objectives through the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》, the "**Outline of the 14th Five-Year**"), which became effective on March 12, 2021, requires focusing on the acceleration of digital development and construction of a digital China. The Outline of the 14th Five-Year states that the advantages of massive data and rich application scenarios should be fully leveraged to promote the deep integration of digital technology with the real economy, empower the transformation and upgrading of traditional industries, foster new industries, new business models, and new modes of operation, and strengthen new engines of economic growth.

The Guiding Opinions on Accelerating Scenario Innovation and Promoting High-quality Economic Development with High-level Application of Artificial Intelligence (《關於加快場景創新以人工智能高水平應用促進經濟高質量發展的指導意見》), which was promulgated and implemented on July 29, 2022, points out that the new development philosophy shall be applied in a complete manner. All tasks shall focus on deepening the integration of AI with the real economy with a view to promoting the opening of scenario resources and enhancing scenario innovation capabilities. The scenario ecology shall be improved by strengthening the cultivation of entities, increasing application and demonstration, and innovating systems and mechanisms. Breakthroughs in AI technologies, product development, and industrial cultivation shall be accelerated, and new models and paths for AI development shall be explored, so as to promote high-quality economic development with high-level AI application.

According to the Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》), which was promulgated by the State Council on September 25, 2000, last amended on December 6, 2024 and effective on January 20, 2025, internet information services can be classified into two categories, services of a commercial nature and services of a non-commercial nature. Commercial internet-based information services refer to compensatory services which provide information to or create web pages for online users through the internet. Non-commercial internet-based information services refer to non-compensatory services which supply, through the internet, to online users' information which is open to and shared by the general public.

Provisions on the Administration of Algorithm Recommendation for Internet Information Services (《互聯網信息服務算法推薦管理規定》), promulgated on December 31, 2021 and effective on March 1, 2022, shall apply to the provision of Internet information services by applying recommendation algorithm technology within the territory of the PRC, unless otherwise provided for by laws or administrative regulations. Applying recommendation algorithm technology means applying generation and synthesis, personalized push, selection sort, search filtering, scheduling decision, and other algorithm technologies to provide information to users.

Plan for Development of the Digital Economy During the "14th Five-Year" Period (《"十四五"數字經濟發展規劃》), issued and effective on December 12, 2021, requires fully maximizing the role of data elements by strengthening the supply of high-quality data elements, accelerating the market-based circulation of data elements and innovating the mechanism for the development and utilization of data elements. Market participants shall be supported in carrying out data collection in compliance with laws and regulations. Sharing, exchange, collaboration and opening for business applications shall be explored. The national public data resource system shall be established and improved, whereby to promote the safe and orderly opening of basic public data, cultivate data service providers and develop data transaction platforms.

According to the 14th Five-Year Plan Development Plan for the Big Data Industry (《"十四五"大數據產業發展規劃》), issued and effective on November 15, 2021, promoting high-quality development shall be regarded as the theme, the supply-side structural reform shall be regarded as the main line, the release of the value of data factors shall be regarded as the guidance, by focusing on consolidating the foundation of industrial development, joint efforts shall be made for promoting the high quality of data resources, the high level of technological innovation, and the high efficiency of infrastructure, by focusing on building a stable and efficient industrial chain, joint efforts shall be made for improving industrial supply capacity and industry empowerment effect, development and security shall be planned as a whole, an independent, controllable, open and cooperative industrial ecology shall be cultivated, and new advantages for digital economic development shall be created.

The 14th Five-Year Plan for National Information Technology (《"十四五"國家信息化規劃》), issued and effective on December 27, 2021, identifies priority actions, including improving digital literacy and skills across the population, improving the digital capabilities of enterprises, making breakthroughs in cutting-edge digital technologies, opening up digital trade and cooperation. Opinions of the CPC Central Committee and the State Council on Accelerating the Construction of a Unified National Market (《關於加快建設全國統一大市場的意見》) was issued and effective on March 25, 2022, aiming at moving faster to foster a data factor market, establish and improve basic systems and standards for data security, rights protection, cross-border transmission management, transactions and circulation, opening and sharing, and security certification, among others, and investigate data resources in depth, to enhance the development and utilization of data resources.

Plan for the Overall Layout of Building a Digital China (《數字中國建設整體佈局規劃》), issued on February 27, 2023, emphasizes comprehensively raising the comprehensiveness, systematicity, and coordination of Digital China construction; promoting the deep integration of the digital economy and the real economy.

REGULATIONS ON OVERSEAS INVESTMENT

The Measures for the Administration of Overseas Investment (《境外投資管理辦法》), which became effective on May 1, 2009, and was last revised on September 6, 2014 and came into force on October 6, 2014, specifies that the Ministry of Commerce and the competent commercial authorities of all provinces, autonomous regions, specifically designed cities in the state plan, and Xinjiang Production and Construction Corps (hereinafter referred to as provincial commercial authorities) are responsible for the management and supervision of overseas investment, and the Ministry of Commerce and provincial commercial authorities shall carry out filing and approval management of overseas investment, according to different conditions of overseas investment of enterprises. Outbound investment by enterprises that involves sensitive countries and regions, or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

The Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which became effective on March 1, 2018, specifies that investors with overseas investment shall go through the procedures of overseas investment project approval and filing, report relevant information, and co-operate with the supervision and inspection. Overseas investment projects are subject to filing and approval administration according to whether they are in sensitive industries, and the catalog of sensitive industries is issued by the National Development and Reform Commission.

LAWS AND REGULATIONS ON SECURITIES AND OVERSEAS LISTING

Securities Laws and Regulations

The Securities Law of the PRC (中華人民共和國證券法), which was promulgated by the SCNPC 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 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 Offering and Listing

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》) and 5 supporting guidelines promulgated by the CSRC on February 17, 2023 came into effect on March 31, 2023 and were applicable to the direct and indirect overseas share subscription and listing of domestic companies.

The Overseas Listing Trial Measures provides that no overseas offering and listing shall be made under any of the following circumstances: (i) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where 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) where 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) where 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; (v) where 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. Additionally, the Overseas Listing Trial Measures stipulates that upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security etc., and duly fulfil their obligations to protect national courtesy translation security.

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》). Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, 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 Chinese Mainland 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 Chinese Mainland. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

The Regulations of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), which became effective on April 1, 1996 and was last revised and came into force on August 5, 2008, applies to the foreign exchange receipts and payments or foreign exchange business activities of domestic organizations and individuals, foreign organizations and individuals in China. It specifies that China shall not restrict international current payments and transfers. The foreign exchange receipts of domestic organizations and individuals can be repatriated to China or deposited overseas; the conditions and time limit for repatriation or overseas deposit shall be specified by the foreign exchange administration authorities of the State Council according to the international balance of payment and the needs of foreign exchange administration. Domestic organizations and individuals who make overseas direct investments or engage in the overseas issuance and trading of negotiable securities and derivatives shall register in accordance with the requirements of the foreign exchange administration authority of the State Council. If the state requires prior approval by or filing with relevant competent authorities, the approval or filing procedures shall be gone through prior to the foreign exchange registration.

The Circular of the State Administration of Foreign Exchange on Reforming and Regulating the Policies for Administration of Foreign Exchange Settlement under Capital Accounts (《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》), which became effective on June 9, 2016, specifies that in the case of foreign exchange receipts in capital accounts subject to willingness exchange settlement as specified by relevant policies (including foreign exchange capital, foreign debt funds and proceeds from overseas listing which are repatriated, etc.), exchange settlement may be made in banks according to the actual business needs of domestic organizations. The foreign exchange receipts in the domestic capital account and RMB proceeds from exchange settlement may be used to cover the current account expenditures within the business scope, as well as the expenditures under the capital account permitted by laws and regulations. Foreign exchange receipts in the domestic capital account of a domestic organization and RMB proceeds from exchange settlement shall not be: (1) directly or indirectly used to cover expenditures beyond the business scope of enterprises or prohibited by national laws and regulations; (2) directly or indirectly used for securities investment or other investments and wealth management other than capital protected products of banks, unless otherwise specified; (3) used to provide loans to non-affiliated enterprises, unless otherwise approved in the business scope; or (4) used for the construction or purchase of real estate not for own use (except where the entity is a real estate enterprise).

The Circular on Further Improving RMB Cross-Border Business Policies and Promoting Trade and Investment Facilitation (《關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知》), which became effective on January 5, 2018, specifies that domestic enterprises may repatriate the proceeds to China for use according to actual needs after issuing RMB bonds overseas and going through relevant procedures according to the macro-prudent administration of full-coverage cross-border financing. RMB proceeds of domestic enterprises from overseas issuance of shares may be repatriated to China for use according to actual needs.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知) (the "**SAFE Circular 7**"), promulgated by SAFE in February 2012, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency. Moreover, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. The income of foreign exchange PRC residents by selling out the shares according to the equity incentive plan and the dividend distributed by the overseas-listed company shall be distributed to the PRC residents after being remitted to the bank account in China opened by the domestic institutions.

LAWS AND REGULATIONS ON PROPERTY LEASING

According to the PRC 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 PRC 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.

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994, was last revised on August 26, 2019 and came into effect on January 1, 2020, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

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) (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.

LAWS AND REGULATIONS ON LABOR, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

The Labour Law of the PRC (《中華人民共和國勞動法》), which became effective on January 1, 1995 and was last revised and came into force on December 29, 2018, is one of main laws regulating the labour relations between enterprises and employees in China. It specifies that labourers have equal right to employment and choice of occupation, the right to remuneration for labour, to rest and vacations, to the protection of occupational safety and health, to training in vocational skills, to social insurance and welfare, to submission of labour disputes for settlement and other rights relating to labour stipulated by laws. The employing units shall establish and perfect rules and regulations in accordance with the laws so as to ensure that workers and labourers enjoy the right to work and fulfil labour obligations. A labour contract shall be concluded where a labour relationship is to be established. The employing unit must provide labourers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labour protection, and provide regular health examination for labourers engaged in work with occupational hazards. China provides special protection for female staff and workers and juvenile workers. China has established a social insurance system, and set up social insurance funds so that labourers may receive assistance and compensation under such circumstances as old age, illness, work-related injury, unemployment and childbirth.

The Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), which became effective on January 1, 2008, and was last revised on December 28, 2012 and came into force on July 1, 2013, applies to the establishment of labour relations, entry into, performance, amendment, rescission or termination of labour contracts between enterprises, individual economic organisations, private unincorporated organisations and other organisations on the one hand and workers on the other, in China. It specifies that labour contracts shall be concluded in adherence to the principles of legality, fairness, equality, voluntariness, consensus and good faith. Employing units shall establish and improve labour rules and regulations to ensure that workers enjoy the labour rights and fulfil the labour obligations. The establishment of a labour relationship requires entering into a written labour contract. The employing unit shall strictly implement the norm set for labour quota and shall not compel the workers to work overtime or do so in a disguised form. If an employing unit assigns overtime work, it shall make overtime payments to the employees in accordance with relevant provisions of China.

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which became effective on July 1, 2011 and was last revised and came into force on December 29, 2018, the Regulations on Work-related Injury Insurance (《工傷保險條例》), which became effective on January 1, 2004, and was last revised on December 20, 2010 and came into force on January 1, 2011, the Overseas Listing Trial Measures for Maternity Insurance of Enterprise Employees (《企業職工生育保險試行辦法》), which became effective on January 1, 1995, the Decision of the State Council on Establishing a Unified Basic Endowment Insurance System for Enterprise Employees (《國務院關於建立統一的企業職工基本養老保險制度的決定》), which became effective on July 16, 1997, the Decision of the State Council on Establishing a Basic Medical Insurance System for Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》), which became effective on December 14, 1998, and the Regulations on Unemployment Insurance (《失業保險條例》), which became effective on January 22, 1999, specify that China should establish basic endowment insurance, basic medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and other social insurance systems, so that the citizens can obtain assistance and compensation from the country and society in their old age or in case of illness, work-related injury, unemployment, childbirth, etc. Employers and individuals in China shall make social insurance contributions in accordance with laws. Enterprises in China are obliged to purchase endowment insurance, unemployment insurance, maternity insurance, work-related injury insurance and medical insurance for their employees. If an employer fails to make social insurance contributions in full and on time, the organisation collecting social insurance contributions shall order it to make contributions or make up for the balance within a specified period, and shall, from the date of payment, impose a late payment penalty at the rate of 0.05% on a daily basis; if the employer fails to make payment within the specified period, the relevant administrative department shall impose a penalty of not less than one time but not more than three times the arrears.

The Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which became effective on April 3, 1999 and was last revised and came into force on March 24, 2019, specifies that enterprises in China shall apply to the housing provident fund management centre for registration of contributions to the housing provident fund, and open housing provident fund accounts for their employees. If an employer fails to make contributions or makes insufficient contributions to the housing provident fund within the specified period, the housing provident fund management centre shall order it to make contributions within a specified period; if the employer fails to make payment within the specified period, an enforcement application may be submitted to the people's court. 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.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law 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)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38 Paragraph 3 of the Labor Contract Law, the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people's court shall support such requests in accordance with the law. Our Directors believe that the Interpretation above would not have a material adverse effect on our business, financial condition and results of operations, on the basis of the following considerations: (i) we have not signed any agreement with our employee or our employee have not commit to relinquish their social insurance premiums; (ii) due to the preference of certain employees, we have taken all the cost and fee using third-party agencies to pay social insurance for such a few employees in certain locations where we had no branch or legal entity during the Track Record Period on time and in full; and (iii) even if we subsequently pay the social insurance premiums in accordance with the law and regulations, we reserve the right to request that employees return the compensation (such as the social insurance premiums paid through third-party agencies) in accordance with the Interpretation.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984 and implemented on April 1, 1985, and last revised on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001, implemented on July 1, 2001 and last amended on December 11, 2023, with the latest amendment being effective on January 20, 2024, patents in Chinese Mainland are divided into invention patent, utility patent and design patent. Invention patent shall be valid for 20 years from the date of application, while utility patent shall be valid for 10 years and design patent shall be valid for 15 years from the date of application respectively. The patent right entitled to its owner shall be protected by the laws. Any person shall be licensed or authorized by the patent owner before using such patent. Otherwise, the use constitutes an infringement of the patent right.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**"), which was promulgated by the Standing Committee on August 23, 1982 and became effective on March 1, 1983 and last revised on April 23, 2019 and implemented on November 1, 2019 and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002 and implemented on September 15, 2002, and amended on April 29, 2014, a trademark registered by the Trademark Office is a registered trademark, including the commodity trademark, service trademark, collective trademark and certification trademark. The valid period of a registered trademark shall be 10 years, commencing from the date of approval of the registration. The trademark registrant shall apply for renewal within 12 months before the expiry date for further use of the registered trademark. The valid period for each renewal of registration is 10 years, counted from the next day of the expiration day of the last term.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and last revised on November 11, 2020 and came into effect on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and the Regulation on Computers Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in Chinese Mainland and recognizes the China Copyright Protection Centre as the software registration organization. The China Copyright Protection Centre shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Domain Names

Domain names are protected under the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology of the PRC on August 24, 2017 and came into effect on November 1, 2017. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS ON GOVERNMENT PROCUREMENT AND TENDERING AND BIDDING

The Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法》, the "**PRC Bidding Law**") promulgated on 30 August 1999 and amended on 27 December 2017, and the Regulation on the Implementation of the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》) promulgated by the State Council on 20 December 2011, amended on 1 March 2017 and 19 March 2018 and last amended on 2 March 2019, mainly require: (1) Tendering within the territory of the PRC include public tendering and invitational tendering. A tenderer who adopts the public tendering method shall issue a tendering announcement, and a tenderer who adopts the invitational tendering method shall issue invitations for submission of bids to three or more specified legal persons or other specified organisations capable of undertaking the project subject to the tender and having a good reputation and creditworthiness; (2) The tenderer shall not restrict or reject any potential bidder on the unreasonable grounds, or discriminate against any potential bidder. The tendering documents shall not require or indicate any specific supplier or include any other contents that tend to favour or reject potential bidders; (3) The bidder shall prepare its bidding documents according to the requirements of tendering documents, and shall not collude with other bidders or the tenderer, exclude the fair competition of other bidders, as well as cause any harm to national interests, social public interests or the legitimate rights and interests of others; (4) The successful bidder shall perform its obligations under the contract and complete the awarded project, and the bidder shall not transfer the awarded project to others, or split the awarded project to transfer it to others. The successful bidder may, according to the contract or with the consent of the tenderer, subcontract part of the non-subject and non-critical work of the awarded project to others for completion. The person accepting the subcontracts shall meet the relevant qualifications and shall not subcontract it again to other persons. The successful bidder shall be responsible for the subcontracts, and the subcontractor shall bear joint and several liability for the subcontracts.

Pursuant to the PRC Bidding Law, bidding process shall be carried out when, among others, the following construction projects are involved: (i) large scale infrastructure or public utility projects and other projects relevant to public interest or public security; (ii) projects entirely or partially using state-owned funds or state-facilitated loans; and (iii) projects using loans, or financial aids from international organizations or foreign governments.

LAWS AND REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the "**Product Quality Law**"), which was promulgated by the SCNPC on February 22, 1993 and implemented on September 1, 1993, and last revised on December 29, 2018, the law applies to all production and marketing activities within the territory of the PRC. Producers shall be responsible for the quality of the products they produce and sell. Quality of products shall meet the following requirements: (i) products shall be free from any irrational dangers threatening the safety of people and property. If there are State standards or trade standards for ensuring the health of the human body and safety of lives and property, the products shall conform to such standards; (ii) products shall have the property they are due to have, except cases in which there are explanations about the defects of the property of the products; and (iii) products shall tally with the standards prescribed or specified on the packages and with the quality specified in the instructions for use or shown in the providing samples. In case of violation of the Product Quality Law, the market regulatory authorities have the right to order producers and sellers to stop production and sales, confiscate the products which are illegally produced or sold and impose fines. In case of serious violations, the business license of a producer or seller will be revoked, and if the violation is so serious as to have constituted a crime, the producer or seller will be prosecuted for criminal liability.

Pursuant to the PRC Civil Code, which was promulgated by the NPC on May 28, 2020 and became effective on January 1, 2021, where a defect of a product endangers the personal or property safety of another person, the infringed person has the right to request the manufacturer or seller of the product to bear tort liability in forms of cessation of the infringement, removal of the nuisance, elimination of the danger, or the like. Where a defective product causes damage to another person, the aggrieved party may claim compensation from the producer or seller. Where the product defect is caused by the producer, the seller is entitled to recover damages from such producer after making compensation. Where the product defect is caused by the fault of the seller, the producer is entitled to recover damages from the seller after making compensation.

REGULATIONS ON TAX

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), which was promulgated by the SCNPC and was latest amended on December 29, 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例), which was promulgated by the State Council and was latest amended in December 2024, collectively referred to as the Enterprise Income Tax Law, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Value-added Tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (中華人民共和國增值稅暫行條例), which was promulgated by the State Council and was latest amended on November 19, 2017, and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax (中華人民共和國增值稅暫行條例實施細則), which was promulgated by the Ministry of Finance and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax. On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (中華人民共和國增值稅法), which will become effective on January 1, 2026, upon which VAT Regulations shall be repealed.

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (財政部、稅務總局關於調整增值稅稅率的通知) effective in May 2018, the value-added tax rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告) promulgated on March 20, 2019 and effective from April 1, 2019, the value-added tax rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

Dividends Distribution

The principal laws, rules and regulations governing dividend distributions by foreign invested enterprises in the PRC is the Company Law, and the FIL 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.

According to the Civil Procedure Law of the PRC (中華人民共和國民事訴訟法) which was promulgated by the National People's Congress on April 9, 1991 and most recently amended on September 1, 2023 and became effective on January 1, 2024, the limitation period for an action to recover a debt (including the recovery of declared dividends) is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

Pursuant to the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法), which was most recently amended on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法實施條例), which was most recently amended on December 18, 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Enterprise Income Tax Law of PRC (the "**EIT Law**") and the Regulation on the Implementation of the Enterprise Income Tax Law of PRC, since January 1, 2008, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese EIT imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Hong Kong, Macau, and a number of countries and regions including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States and etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the EIT in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

U.S. EXPORT CONTROL LAWS AND REGULATIONS

The U.S. government imposes export controls for national security, foreign policy interest, and other various policy reasons. One of the primary U.S. export control regimes is governed by the Export Administration Regulations, 15 C.F.R. Parts 730-774 ("**EAR**"), which are administered and enforced by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**"). BIS is responsible for regulating the export, reexport, or transfer (in-country) of a diverse range of goods, software, and technology (collectively, "items") including most commercial items, "dual-use" items (i.e., those items having both commercial and military or proliferation applications), and less-sensitive military items.

BIS regulates the export, reexport, and in-country transfer of items that are "subject to the EAR," a term of art that includes: (i) all U.S.-origin items wherever they are located in the world; (ii) any item physically in, or moving in transit through, the United States or U.S. Foreign Trade Zone (including items of foreign origin); (iii) any foreign-made item containing more than a de minimis amount of certain controlled U.S.-origin content; and (iv) certain foreign-made items that are the "direct products" of certain controlled U.S.-origin software or technology (or are the direct product of a plant or major plant component that is itself the direct product of such controlled U.S.-origin software or technology). Generally, foreign-made items that incorporate controlled U.S.-origin content accounting for 25% or less of the value of such items are not subject to the EAR when exported, reexported, or transferred (in-country) to any country except for Cuba, Iran, North Korea, or Syria (for which the de minimis threshold is 10%), unless the controlled content is of a certain type for which there is no de minimis threshold. For purposes of the de minimis analysis, a "controlled" item is any item that would require a destination-based export license from BIS to be exported to, reexported to, or transferred (in-country) within the country at issue.

Items that are subject to the EAR may require a license from BIS prior to the export, reexport, or transfer (in-country) of the item. Whether an export license is required depends on the Export Control Classification Number ("**ECCN**") of the item at issue, the destination to which the item is being exported, reexported, or transferred, and the intended end use or end user of the item.

In particular, BIS maintains several restricted party lists of companies, organizations, and individuals that may be subject to additional license requirements, regardless of the classification of the item. For example, parties on the "Entity List," Supplement No. 4 to 15 C.F.R. Part 744, are generally prohibited from receiving some or all items subject to the EAR, absent an export license from BIS. License requirements for persons on the Entity List may be limited to only specific ECCNs of concern, or generally apply to all items subject to the EAR.

A party that exports, reexports, or transfers an item that is subject to the EAR is strictly liable for violations related to such activity. The EAR also provides a basis for liability for other parties to a given transaction (i.e., in addition to the exporter). Specifically, parties are prohibited from (i) causing, aiding, or abetting a violation of the EAR; (ii) soliciting or attempting a violation of the

EAR; (iii) conspiring to bring about or engage in a violation of the EAR; (iv) misrepresenting or concealing facts to the U.S. government in connection with activities subject to the EAR; (v) acting with the intent to evade the EAR; (vi) failing to comply with recordkeeping requirements of the EAR; and (vii) acting with "knowledge" that a violation of the EAR has occurred or is about to occur. The EAR defines "knowledge" as including "positive knowledge that the circumstance exists or is substantially certain to occur," as well as "an awareness of a high probability of its existence or future occurrence," which is "inferred from evidence of the conscious disregard of facts known to a person and is also inferred from a person's willful avoidance of facts."

Effective June 5, 2020, the BIS added "Intellifusion" with aliases "Shenzhen Yuntian Lifei Technology Co., Ltd." and "Yuntian Lifei" to the Entity List, and the listed entity (the "**Listed Entity**") was subsequently designated as a Footnote 4 entity (FN4) on October 7, 2022, pursuant to Supplement No. 4 to Part 744 of the EAR.

The Entity List restrictions do not apply to non-listed entities in our Group that are legally distinct from the Listed Entities (the "**Non-listed Entities**"). That is, BIS has explicitly advised that "the licensing and other obligations imposed on an entity by virtue of being listed on the Entity List do not per se apply to its subsidiaries, parent companies, sister companies, or other legally distinct affiliates that are not listed on the Entity List." However, a Non-listed Entity (or any other person) may not act as an agent, a front, or a shell company for a Listed Entity in order to facilitate transactions that would not otherwise be permissible with the Listed Entity.

The addition of the Listed Entity to the Entity List restricts its ability to purchase, acquire, or otherwise access any items subject to the EAR without a license from BIS. Specifically, absent a license from BIS, it is prohibited to export, reexport, or transfer any items subject to the EAR when the Listed Entity is a party to the transaction, including as purchaser, intermediate consignee, ultimate consignee, or end-user. That is, even if the Listed Entity is not the intended end user of the item(s) involved, the restrictions would still apply to the extent the Listed Entity is the purchaser or otherwise involved in a given transaction. License applications to the Listed Entity will be reviewed with a presumption of denial or a case-by-case policy.

The Entity List Footnote 4 Foreign Direct Product (FDP) Rule imposes stringent restrictions on transactions involving FN4 designated entities. Any reexport, export, or in-country transfer of covered items to FN4 entities requires a BIS license, with a presumption of denial for most applications. Transactions with the Listed Entity may trigger FN4 FDP if: (i) the foreign-produced item is a "direct product" of "technology" or "software" subject to the EAR and specified in certain ECCNs; or (ii) the foreign-produced item is produced by any complete plant or "major component" of a plant that is located outside the United States, when the complete plant or "major component" of a plant, whether made in the U.S. or a foreign country, itself is a "direct product" of U.S.-origin "technology" or "software" that is specified in certain ECCNs.

The Entity List restrictions applicable to the Listed Entity apply to items subject to the EAR only where such items would be imported, procured, or obtained by the Listed Entity post-designation to the Entity List. For example, if the Listed Entity obtained an item subject to the EAR prior to June 5, 2020, the Listed Entity would not be prohibited from continue access to and use of such item post-Entity List designation. However, the Listed Entity would be prohibited from obtaining additional quantities of, or updated versions of, such item as of June 5, 2020.

LAWS AND REGULATIONS RELATING TO U.S. TARIFFS

On 2 April 2025, the President of the United States (the "**US**") signed Executive Order 14257, invoking the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq. (the "**IEEPA**"), to impose "reciprocal" tariffs on imports from substantially all of the US's trading partners on the basis that persistent US trade deficits constituted a national emergency (the "**IEEPA Tariffs**"). A 10% baseline tariff took effect on 5 April 2025, with higher country-specific rates, ranging up to 46% for certain jurisdictions, applicable to over 80 trading partners scheduled to take effect on 9 April 2025; the application of such higher rates was subsequently paused for most countries for a period of 90 days pursuant to Executive Order 14266. The IEEPA Tariffs, together with related measures imposed under the IEEPA (including tariffs linked to fentanyl-precursor trafficking), were subsequently challenged before the US courts. The US Court of International Trade ruled the IEEPA Tariffs unlawful on 28 May 2025, a decision affirmed by the US Court of Appeals for the Federal Circuit, on 29 August 2025. On further appeal, the Supreme Court of the United States held that the IEEPA did not authorise the imposition of tariffs, and the IEEPA Tariffs were accordingly terminated with effect from 24 February 2026.

On 12 March 2026, the Office of the United States Trade Representative ("**USTR**") initiated investigations, pursuant to Section 301 of the US Trade Act of 1974, as amended, 19 U.S.C. § 2411 et seq. ("**Section 301**"), into the alleged failure of 60 trading partners to impose and effectively enforce a prohibition on the importation of goods produced with forced labor. On 2 June 2026, the USTR published a notice of determinations and proposed responsive action in the US Federal Register, proposing additional ad valorem duties of 10% (for economies with a forced-labor import prohibition, a related trade-agreement commitment, or a partial such regime in place) or 12.5% (for all other investigated economies) on imports from the 60 trading partners under investigation, subject to certain product and trade-agreement exclusions. Following a public comment period and hearings held on 7 July 2026, the USTR finalised this action, and the resulting tariffs (the "**Section 301 Tariffs**") took effect on 24 July 2026.

OVERVIEW

The history of our Company began in 2013, when it was established in Shanghai by our founder, Mr. SUN Yuanhao. With over a decade of operations, we have become the fifth largest AI infrastructure software provider in China, according to Frost & Sullivan. See "Directors and Senior Management" for the biographical details of Mr. SUN Yuanhao. In October 2022, the A Shares of our Company became listed on the STAR Market under the stock code 688031.

Milestones

The following is a summary of our key corporate and business development milestones.

Year	Milestones
2013	Our Company was established in Shanghai.
2015	Gartner, one of the world's most authoritative IT research and advisory consulting firms, has included Transwarp Data Hub in the list of mainstream Hadoop distributions.
2016	We entered Gartner's Magic Quadrant for Data Warehouses.
2017	We were rated as a Leader among Chinese Big Data Management Platform Vendors by IDC.
2018	We became the first database vendor worldwide to pass the TPC-DS testing standard, successfully overcoming database challenges.
2019	We were included in the 2019 Shanghai Innovative Products Recommendation Catalog (2019年上海市創新產品推薦目錄) and 2019 Shanghai Big Data Service Providers Recommendation Catalog (2019年度上海市大數據服務供應商推薦目錄) issued by the Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會).
2022	Our A Shares became listed on the STAR Market (stock code: 688031).
	Several of our products or sub-products have been included in Gartner's Vendor Identification Guide for China's Database Management Systems.
2023	Our product, Infinity LLM, was registered as a generative AI service by the Cyberspace Administration of China (國家互聯網信息辦公室).
	We were selected as one of the first batch of Shanghai Innovative Enterprise Headquarter (上海市創新型企業總部).
2024	We won the Second Prize of the 2023 Shanghai Science and Technology Progress Award.
	Our product, Transwarp LLM Operation Platform won the Second Prize of the Jiangsu Artificial Intelligence Application Innovation Award (Product Category) (江蘇省人工智能應用創新獎(產品)二等獎).
2025	Our joint project with Fudan University won the Second Prize for Technological Invention of the 2024 Wu Wenjun AI Science and Technology Award ("吳文俊人工智能科學技術獎"技術發明二等獎).
	We were selected for the List of LLM Application Delivery Suppliers (大模型應用交付供應商名錄) of the China Academy of Information and Communications Technology (中國信息通信研究院).
2026	Our product, Transwarp ArgoDB V6 (星環分佈式數據庫軟件V6), has been recognized as level I of safety and reliability by China Information Technology Security Evaluation Center (中國信息安全測評中心).

OUR MAJOR SUBSIDIARIES

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

Name of subsidiary	Equity interest attributable to our Group	Principal business activities	Date and jurisdiction of establishment
Beijing Transwarp	100.00%	Software development and sales; delivery of technical services	February 15, 2017, PRC
Nanjing Transwarp Intelligent	100.00%	Software development and sales; delivery of technical services and provision of after-sales services	September 30, 2019, PRC

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Early Development of Our Company

On June 5, 2013, our Company was established in Shanghai under the laws of the PRC as a limited liability company with an initial registered capital of RMB10.0 million. At the time of establishment, our Company was owned as to 35% by Mr. SUN Yuanhao, as to 35% by Shanghai Yunyou Investment Office (上海雲友投資事務所) (an Independent Third Party), and as to 30% by Mr. FAN Jing, who was holding the Shares of our Company on behalf of his brother, Mr. FAN Lei during the period from June 2013 to September 2015.

From June 2014 to February 2021, our Company obtained several rounds of pre-IPO investments prior to the A Share Listing, raising an aggregate amount of RMB1,480.8 million to support our business development. See "— Investments Prior to the A Share Listing" for details.

Conversion into Joint Stock Limited Company and Listing on the STAR Market

In December 2020, our Company was converted from a limited liability company to a joint stock limited company. Upon completion of the conversion, our Company had a total share capital of RMB84,705,989 divided into 84,705,989 Shares.

The following table sets forth the shareholding structure of our Company as of November 30, 2021, being the date of acceptance of the A Share Listing application.

Name of Shareholder	Shareholding percentage
Single Largest Group of Shareholders	
Mr. SUN Yuanhao(1)	12.32%
Shanghai Zanxing(1)	8.32%
Mr. FAN Lei(1)	6.70%
Mr. LV Cheng(1)	1.68%
Mr. SHE Hui(1)	0.96%
Subtotal	**29.98%**
SIIs	
Linzhi Lichuang Information Technology Co., Ltd.(2)	11.69%
Industry Investment Fund Co. Ltd.(3)	7.46%
Shanghai Yunyou Investment Office(4)	4.90%
CICC(5)	3.25%
SCGC Capital(6)	2.64%
Jinhua Yanghang CoStone Equity Investment Partnership(7)	1.56%
Subtotal	**31.50%**
Other Shareholders	
Suzhou Fangguang Venture Capital Partnership (Limited Partnership) (蘇州方廣創業投資合夥企業(有限合夥))(8)	4.41%
Suzhou Qiming Ronghe Venture Capital Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥))(9)	4.31%

Name of Shareholder	Shareholding percentage
Hubei Changjiang Hezhi Equity Investment Fund Partnership (Limited Partnership) (湖北省長江合志股權投資基金合夥企業(有限合夥))[10]	4.25%
Qingdao Xinding Kenge No. 7 Equity Investment Partnership (Limited Partnership) (青島新鼎啃哥柒號股權投資合夥企業(有限合夥))[11]	3.19%
Hundsun Technologies Inc. (恒生電子股份有限公司)[12]	2.93%
Shenzhen Guoke Ruihua Phase III Equity Investment Fund Partnership (Limited Partnership) (深圳市國科瑞華三期股權投資基金合夥企業(有限合夥))[13]	2.15%
Qingdao Xingrui Zhixin Equity Investment Center (Limited Partnership) (青島興瑞智新股權投資中心(有限合夥))[14]	1.50%
Xiamen Xinding Kenge No. 3 Equity Investment Partnership (Limited Partnership) (廈門新鼎啃哥叁號股權投資合夥企業(有限合夥))[15]	1.43%
Shanghai Ruibi Guanghong Investment Management Partnership (Limited Partnership) (上海瑞贔廣弘投資管理合夥企業(有限合夥))[16]	1.38%
Changxia Jinshi (Wuhan) Equity Investment Fund Partnership (Limited Partnership) (長峽金石(武漢)股權投資基金合夥企業(有限合夥))[17]	1.24%
Anhui Transportation Holdings Jinshi M&A Fund Partnership (Limited Partnership) (安徽交控金石併購基金合夥企業(有限合夥))[18]	1.24%
Ningbo Meishan Bonded Port Area Jingkai Yiying Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區晶凱藝贏股權投資合夥企業(有限合夥))[19]	1.19%
Sunyard Technology Co., Ltd (信雅達科技股份有限公司)[20]	1.16%
Zhuhai Hengqin Renjun Chunrong Equity Investment Fund (Limited Partnership) (珠海橫琴任君淳榮股權投資基金(有限合夥))[21]	1.05%
Shenzhen Qianhai Qinzhi Optimized No. 2 Investment Partnership (Limited Partnership) (深圳前海勤智優選二號投資合夥企業(有限合夥))[22]	0.92%
Hubei Bosheng Jiayuan Equity Investment Partnership (Limited Partnership) (湖北渤盛嘉遠股權投資合夥企業(有限合夥))[23]	0.88%
Shenzhen Qianhai Qinzhi Optimal Investment Partnership (Limited Partnership) (深圳前海勤智優選投資合夥企業(有限合夥))[24]	0.87%
Shenzhen Kunpeng Yichuang Strategic Emerging Industries Equity Investment Fund Partnership (Limited Partnership) (深圳市鯤鵬一創戰略新興產業股權投資基金合夥企業(有限合夥))[25]	0.78%
Bocom Science and Technology Equity Investment Fund (Shanghai) Partnership (Limited Partnership) (交銀科創股權投資基金(上海)合夥企業(有限合夥))[26]	0.78%
Shenzhen Guozhong SME Development Private Equity Investment Fund Partnership (Limited Partnership) (深圳國中中小企業發展私募股權投資基金合夥企業(有限合夥))[27]	0.63%
Langma No. 25 (Hangzhou) Venture Capital Partnership (Limited Partnership) (朗瑪二十五號(杭州)創業投資合夥企業(有限合夥))[28]	0.47%
Langma No. 31 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪三十一號(深圳)創業投資中心(有限合夥))[29]	0.47%
Shanghai Entrepreneurship Relay Venture Capital Co., Ltd. (上海創業接力創業投資有限公司)[30]	0.33%
Shanghai Tongxing No. 1 Venture Capital Center (Limited Partnership) (上海接力同行一號創業投資中心(有限合夥))[31]	0.33%
Shanghai Entrepreneurship Relay Enterprise Service Co., Ltd. (上海創業接力企業服務有限公司)[32]	0.22%
Shanghai Yangpu Menghang Venture Capital Center (Limited Partnership) (上海楊浦夢航創業投資中心(有限合夥))[33]	0.22%
Shenzhen TCL Strategic Equity Investment Fund Partnership (Limited Partnership) (深圳TCL戰略股權投資基金合夥企業(有限合夥))[34]	0.12%
Ningbo Meishan Bonded Port Area Zhunrui Venture Capital Partnership (Limited Partnership) (寧波梅山保稅港區准睿創業投資合夥企業(有限合夥))[35]	0.04%
Beijing Guoke Zhengdao Investment Center (Limited Partnership) (北京國科正道投資中心(有限合夥))[36]	0.02%
Gongqingcheng Huihua Qixing Investment Partnership (Limited Partnership) (共青城惠華啟星投資合夥企業(有限合夥))[37]	0.01%
Total	**100.00%**

Notes:

(1) Mr. SUN Yuanhao, Mr. LV Cheng, Mr. FAN Lei, Mr. SHE Hui and Shanghai Zanxing were parties of an acting-in-concert agreement, pursuant to which they acknowledged and confirmed their acting-in-concert relationship in relation to the Company. See "— Concert Party Arrangement" for details.

(2) Linzhi Lichuang Information Technology Co., Ltd. (林芝利創信息技術有限公司) ("**Linzhi Lichuang**") is a limited liability company established in the PRC. See "— Investments Prior to the A Share Listing — Our Pathfinder SIIs and Sophisticated Independent Investors" for details.

(3) Industry Investment Fund Co. Ltd. (產業投資基金有限責任公司) ("**Industry Investment Fund**") is a state-owned investment fund organized as a limited liability company established under the laws of the PRC. See "— Investments Prior to the A Share Listing — Our Pathfinder SIIs and Sophisticated Independent Investors" for details.

(4) Shanghai Yunyou Investment Office is a sole proprietor owned by an individual, WANG Ji (王佶) (an Independent Third Party).

(5) It comprises CICC Qizhi (Shanghai) Equity Investment Center (Limited Partnership) (中金祺智(上海)股權投資中心(有限合夥)) and Ningbo Meishan Bonded Port Zone CICC Haochen Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區中金澔晨股權投資合夥企業(有限合夥)). See "— Investments Prior to the A Share Listing — Our Pathfinder SIIs and Sophisticated Independent Investors" for details.

(6) SCGC Capital includes Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司), Liyang Hongtu New Economy Venture Capital Fund Partnership (Limited Partnership) (溧陽紅土新經濟創業投資基金合夥企業(有限合夥)) and Shanghai Jinshan Hongtu Venture Capital Investment Center (Limited Partnership) (上海金山紅土創業投資中心(有限合夥)). See "— Investments Prior to the A Share Listing — Our Pathfinder SIIs and Sophisticated Independent Investors" for details.

(7) Jinhua Yanghang CoStone Equity Investment Partnership (金華揚航基石股權投資合夥企業(有限合夥)) is a limited liability company established in the PRC. See "— Investments Prior to the A Share Listing — Our Pathfinder SIIs and Sophisticated Independent Investors" for details.

(8) Suzhou Fangguang Venture Capital Partnership (Limited Partnership) (蘇州方廣創業投資合夥企業(有限合夥)) is a private equity fund established in the PRC in September 2012, owned as to approximately (i) 0.97% by its general partner Suzhou Fangguang Venture Capital Management Partnership (Limited Partnership) (蘇州方廣創業投資管理合夥企業(有限合夥)), (ii) 51.96% by its limited partner Shanghai Fangguang Venture Capital Partnership (Limited Partnership) (上海方廣創業投資合夥企業(有限合夥)), both of which are ultimately controlled by HONG Tianfeng (洪天峰), and (iii) 47.07% by eight other limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(9) Suzhou Qiming Ronghe Venture Capital Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥)) is a limited partnership established in the PRC in February 2014, owned as to approximately (i) 0.90% by its general partner Suzhou Qicheng Investment Management Partnership (Limited Partnership) (蘇州啟承投資管理合夥企業(有限合夥)), which is ultimately controlled by YU Jia (於佳) and HU Xubo (胡旭波), (ii) 20.60% by its limited partner Suzhou Industrial Park Qiming Rongzhi Venture Capital Partnership (Limited Partnership) (蘇州工業園區啟明融智創業投資合夥企業(有限合夥)), the general partner of which is also Suzhou Qicheng Investment Management Partnership (Limited Partnership) (蘇州啟承投資管理合夥企業(有限合夥)), and (iii) 78.50% by 14 other limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(10) Hubei Changjiang Hezhi Equity Investment Fund Partnership (Limited Partnership) (湖北省長江合志股權投資基金合夥企業(有限合夥)) is a private equity fund established in the PRC in June 2016, owned as to approximately (i) 0.33% by its general partner Hubei Changjiang Hezhi Equity Investment Fund Management Co., Ltd. (湖北省長江合志股權投資基金管理有限公司), which is owned as to 50.00% by YUAN Bing (袁冰), as to 30.00% by Shenzhen Dongxi Jiashang Venture Capital Co., Ltd. (深圳東熹佳尚創業投資有限公司) and as to 20.00% by CHEN Fangjie (陳方節) who is an Independent Third Party, (ii) 49.83% by its limited partner Shenzhen Dongxi Jiashang Venture Capital Co., Ltd., which is wholly owned by TCL Technology Group Co., Ltd. (TCL科技集團股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code of 000100), (iii) 39.87% by its limited partner Hubei Changjiang Industrial Investment Fund Partnership (Limited Partnership) (湖北長江產業投資基金合夥企業(有限合夥)) which is controlled by its general partner Changjiang Industrial Investment Private Equity Fund Management Co., Ltd. (長江產業投資私募基金管理有限公司), and (iv) 9.97% by one other limited partner who is an Independent Third Party.

(11) Qingdao Xinding Kenge No. 7 Equity Investment Partnership (Limited Partnership) (青島新鼎啃哥柒號股權投資合夥企業(有限合夥)) (currently known as Nanchang No. 7 Venture Capital Partnership (Limited Partnership) (南昌柒號創業投資合夥企業(有限合夥)) is a private equity fund established in the PRC in October 2020, owned as to approximately (i) 6.81% by its general partner Beijing Xinding Rongsheng Capital Management Co., Ltd. (北京新鼎榮盛資本管理有限公司), which is ultimately controlled by ZHANG Chi (張馳), and (ii) 93.19% by 49 limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(12) Hundsun Technologies Inc. (恒生電子股份有限公司) is a company listed on the Shanghai Stock Exchange (stock code: 600570).

(13) Shenzhen Guoke Ruihua Phase III Equity Investment Fund Partnership (Limited Partnership) (深圳市國科瑞華三期股權投資基金合夥企業(有限合夥)) is a private equity fund established in the PRC in February 2020, and owned as to approximately (i) 1.33% by its general partner Guoke Ruihua (Shenzhen) Technology Co., Ltd. (國科瑞華(深圳)科技有限公司), which is wholly owned by China Science and Technology Industry Investment Management Co., Ltd. (中國科技產業投資管理有限公司), and (ii) 98.67% by 16 other limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(14) Qingdao Xingrui Zhixin Equity Investment Center (Limited Partnership) (青島興瑞智新股權投資中心(有限合夥)) is a private equity fund established in the PRC in March 2017, and owned as to approximately (i) 2.33% by its general partner Qingdao Qiyu Zhixin Investment Management Co., Ltd. (青島旗魚智新投資管理有限公司), which is ultimately controlled by ZHANG Nan (張楠) and LI Jianmin (李健民), (ii) 69.77% by its limited partner Tibet Qingchang Enterprise Management Co., Ltd. (西藏青昌企業管理有限公司) which is owned by three individuals who are Independent Third Parties, and (iii) 27.90% by three other limited partners, each of whom is an Independent Third Party.

(15) Xiamen Xinding Kenge No. 3 Equity Investment Partnership (Limited Partnership) (廈門新鼎啃哥叁號股權投資合夥企業(有限合夥)) (currently known as Nanchang Ruisan Venture Capital Partnership (Limited Partnership) (南昌瑞叁創業投資合夥企業(有限合夥))) is a private equity fund established in the PRC in April 2019, owned as to approximately (i) 0.02% by its general partner Beijing Xinding Rongsheng Capital Management Co., Ltd. (北京新鼎榮盛資本管理有限公司), which is ultimately controlled by ZHANG Chi (張馳), and (ii) 99.98% by 35 limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(16) Shanghai Ruibi Guanghong Investment Management Partnership (Limited Partnership) (上海瑞贔廣弘投資管理合夥企業(有限合夥)) is a private equity fund established in the PRC in December 2015, owned as to approximately (i) 11.56% by its general partner Shanghai Ruibi Investment Management Partnership (Limited Partnership) (上海瑞贔投資管理合夥企業(有限合夥)), which is ultimately controlled by ZHAO Jingwei (趙經緯), and (ii) 88.44% by 11 limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(17) Changxia Jinshi (Wuhan) Equity Investment Fund Partnership (Limited Partnership) (長峽金石(武漢)股權投資基金合夥企業(有限合夥)) (previously known as Sanxia Jinshi (Wuhan) Equity Investment Fund Partnership (Limited Partnership) (三峽金石(武漢)股權投資基金合夥企業(有限合夥))) is a private equity fund established in the PRC in April 2016, owned as to approximately (i) 2.00% by its general partner Changxia Jinshi (Wuhan) Private Equity Fund Management Co., Ltd. (長峽金石(武漢)私募基金管理有限公司), which is owned as to 60.00% by CITIC Jinshi Investment Co., Ltd. (中信金石投資有限公司) and as to 40.00% by Sanxia Capital Holdings Co., Ltd. (三峽資本控股有限責任公司), (ii) 39.20% by its limited partner Sanxia Capital Holdings Co., Ltd., a state-owned enterprise, (iii) 18.80% by its limited partner CITIC Jinshi Investment Co., Ltd., which is wholly owned by CITIC Securities Co., Ltd. (中信證券股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code of 600030), and (iv) 40.00% by 12 other limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(18) Anhui Transportation Holdings Jinshi M&A Fund Partnership (Limited Partnership) (安徽交控金石併購基金合夥企業(有限合夥)) is a private equity fund established in the PRC in December 2017, owned as to approximately (i) 1.00% by its general partner Anhui Transportation Holdings Jinshi Private Equity Fund Management Co., Ltd. (安徽交控金石私募基金管理有限公司) (currently known as Anhui Huidao Jinshi Private Equity Fund Management Co., Ltd. (安徽徽道金石私募基金管理有限公司)), which is controlled by CITIC Jinshi Investment Co., Ltd. (中信金石投資有限公司), (ii) 63.06% by its limited partner Anhui Transportation Holdings Capital Investment Management Co., Ltd. (安徽交控資本投資管理有限公司), which is ultimately owned by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government (安徽省人民政府國有資產監督管理委員會), (iii) 19.30% by its limited partner CITIC Jinshi Investment Co., Ltd., and (iv) 16.64% by two other limited partners, each of whom is an Independent Third Party.

(19) Ningbo Meishan Bonded Port Area Jingkai Yiying Equity Investment Partnership (Limited Partnership) (寧波梅山保税港區晶凱藝贏股權投資合夥企業(有限合夥)) is a private equity fund established in the PRC in April 2018, owned as to approximately (i) 9.35% by its general partner Shanghai Jingkai Yingte Investment Management Co., Ltd. (上海晶凱贏特投資管理有限公司), which is ultimately controlled by ZHANG Jingtian (張晶天), and (ii) 90.65% by 15 limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(20) Sunyard Technology Co., Ltd (信雅達科技股份有限公司) is a company listed on the Shanghai Stock Exchange (stock code: 600571).

(21) Zhuhai Hengqin Renjun Chunrong Equity Investment Fund (Limited Partnership) (珠海橫琴任君淳榮股權投資基金(有限合夥)) is a private equity fund established in the PRC in May 2018, owned as to approximately (i) 50.00% by its general partner Shenzhen Renjun Capital Management Co., Ltd. (深圳市任君資本管理有限公司), which is owned as to 60.00% by LIN Guoguo (林國國) and as to 40.00% by LIANG Haizhou (梁海舟), and (ii) 50.00% by LIN Guoguo who is an Independent Third Party.

(22) Shenzhen Qianhai Qinzhi Optimized No. 2 Investment Partnership (Limited Partnership) (深圳前海勤智優選二號投資合夥企業(有限合夥)) is a private equity fund established in the PRC in March 2017, owned as to approximately (i) 0.22% by its general partner Shenzhen Qianhai Qinzhi International Capital Management Co., Ltd. (深圳前海勤智國際資本管理有限公司), which is ultimately controlled by TANG Dajie (湯大傑), (ii) 44.44% by its limited partner CHEN Bolin (陳柏林), and (iii) 55.34% by 14 other limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(23) Hubei Bosheng Jiayuan Equity Investment Partnership (Limited Partnership) (湖北渤盛嘉遠股權投資合夥企業(有限合夥)) is a private equity fund established in the PRC in April 2018, which was deregistered in December 2024, and prior to its deregistration, it was owned as to approximately (i) 0.03% by its general partner Bohai Zhongsheng (Hubei) Private Equity Fund Management Co., Ltd. (渤海中盛(湖北)私募基金管理有限公司), an Independent Third Party, (ii) 44.76% by its limited partner Jinding Capital Holdings Co., Ltd. (金鼎資本控股股份有限公司), which is ultimately controlled by LI Maoyin (李茂銀), and (iii) 55.21% by seven other limited partners, each of whom held less than 30% partnership interests therein and is an Independent Third Party.

(24) Shenzhen Qianhai Qinzhi Optimal Investment Partnership (Limited Partnership) (深圳前海勤智優選投資合夥企業(有限合夥)) is a private equity fund established in the PRC in May 2016, which was deregistered in March 2025, and prior to its deregistration, it was owned as to approximately (i) 2.60% by its general partner Shenzhen Qianhai Qinzhi International Capital Management Co., Ltd. (深圳前海勤智國際資本管理有限公司), which is ultimately controlled by TANG Dajie (湯大傑), and (ii) 97.40% by 18 limited partners, each of whom held less than 30% partnership interests therein and is an Independent Third Party.

(25) Shenzhen Kunpeng Yichuang Strategic Emerging Industries Equity Investment Fund Partnership (Limited Partnership) (深圳市鯤鵬一創戰略新興產業股權投資基金合夥企業(有限合夥)) is a private equity fund established in the PRC in April 2018, owned as to approximately (i) 0.50% by its general partner Shenzhen Kunpeng Yichuang Private Equity Investment Management Co., Ltd. (深圳市鯤鵬一創私募股權投資管理有限公司), which is owned as to 45.00% by First Capital Investment Management Co., Ltd. (第一創業投資管理有限公司) which is in turn wholly owned by First Capital Securities Co., Ltd. (第一創業證券股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code of 002797), and as to 35.00% by Shenzhen Kunpeng Equity Investment Management Co., Ltd. (深圳市鯤鵬股權投資管理有限公司) which is ultimately owned by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會), (ii) 31.67% by its limited partner Shenzhen Kunpeng Equity Investment Co., Ltd. (深圳市鯤鵬股權投資有限公司), which is ultimately owned by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government, (iii) 19.50% by its limited partner First Capital Investment Management Co., Ltd. and 10.00% by its limited partner Shenzhen First Venture Innovation Capital Management Co., Ltd. (深圳第一創業創新資本管理有限公司), both of which are wholly owned by First Capital Securities Co., Ltd., and (iv) 38.33% by three other limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(26) Bocom Science and Technology Equity Investment Fund (Shanghai) Partnership (Limited Partnership) (交銀科創股權投資基金(上海)合夥企業(有限合夥)) is a private equity fund established in the PRC in April 2019, owned as to approximately (i) 26.32% by its general partner Shanghai Boli Investment Co., Ltd. (上海博禮投資有限公司), which is ultimately wholly owned by Bocom International Holdings Company Limited (交銀國際控股有限公司) (a company listed on the Stock Exchange with stock code of 03329), (ii) 26.32% by its limited partner Bocom Guoxin Private Equity Fund Management Co., Ltd. (交銀國信私募基金管理有限公司), which is ultimately owned as to 85% by Bank of Communications Co., Ltd. (交通銀行股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601328) and the Stock Exchange (stock code: 03328)), and (iii) 47.36% by five other limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(27) Shenzhen Guozhong SME Development Private Equity Investment Fund Partnership (Limited Partnership) (深圳國中中小企業發展私募股權投資基金合夥企業(有限合夥)) (previously known as SME Development Fund (Shenzhen Limited Partnership) (中小企業發展基金(深圳有限合夥))) is a private equity fund established in the PRC in December 2015, owned as to approximately (i) 1.00% by its general partner Shenzhen Guozhong Venture Capital Management Co., Ltd. (深圳國中創業投資管理有限公司) which is owned as to 49.00% by Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司), (ii) 10.00% by its limited partner Shenzhen Capital Group Co., Ltd., and (iii) 89.00% by seven other limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(28) Langma No. 25 (Hangzhou) Venture Capital Partnership (Limited Partnership) (朗瑪二十五號(杭州)創業投資合夥企業(有限合夥)) (previously known as Langma No. 25 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪二十五號(深圳)創業投資中心(有限合夥))) is a private equity fund established in the PRC in June 2019, owned as to approximately (i) 1.58% by its general partner Everest Venture Capital Co., Ltd. (朗瑪峰創業投資有限公司), which is owned as to 95% by XIAO Jiancong (肖建聰), and (ii) 98.42% by 49 limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(29) Langma No. 31 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪三十一號(深圳)創業投資中心(有限合夥)) is a private equity fund established in the PRC in November 2019, owned as to approximately (i) 3.09% by its general partner Everest Venture Capital Co., Ltd. (朗瑪峰創業投資有限公司), and (ii) 96.91% by 48 limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(30) Shanghai Entrepreneurship Relay Venture Capital Co., Ltd. (上海創業接力創業投資有限公司) is a limited liability company established in the PRC in July 2013 and wholly owned by Shanghai Technology Entrepreneurship Platform Co., Ltd. (上海創業接力科技金融集團有限公司), an Independent Third Party.

(31) Shanghai Tongxing No. 1 Venture Capital Center (Limited Partnership) (上海接力同行一號創業投資中心(有限合夥)) is a private equity fund established in the PRC in April 2018, owned as to approximately (i) 1.00% by its general partner Shanghai Ruichuan Yongqi Enterprise Management Center (Limited Partnership) (上海睿川甬啟企業管理中心(有限合夥)) which is controlled by its general partner Shanghai Ruichuan Venture Capital Management Co., Ltd. (上海睿川創業投資管理有限公司), and Shanghai Ruichuan Venture Capital Management Co., Ltd. is owned as to 47.62% by Shanghai Technology Entrepreneurship Angel Capital Co., Ltd. (上海接力天使創業投資管理有限公司) which is in turn wholly owned by Shanghai Technology Entrepreneurship Platform Co., Ltd. (上海創業接力科技金融集團有限公司), (ii) 59.40% by its limited partner Shanghai Tongxing No. 1 Venture Capital Management Center (Limited Partnership) (上海接力同行一號創業投資管理中心(有限合夥)), which is controlled by its general partner Shanghai Ruichuan Venture Capital Management Co., Ltd., and (iii) 39.60% by its limited partner Shanghai Minhang Financial Investment Development Co., Ltd. (上海閔行金融投資發展有限公司), which is ultimately owned by the State-owned Assets Supervision and Administration Commission of Shanghai Minhang District (上海市閔行區國有資產監督管理委員會).

(32) Shanghai Entrepreneurship Relay Enterprise Service Co., Ltd. (上海創業接力企業服務有限公司) is a limited liability company established in the PRC in November 2013, owned as to approximately (i) 70.67% by Shanghai Technology Entrepreneurship Platform Co., Ltd. (上海創業接力科技金融集團有限公司), (ii) 16.01% by Zhejiang Zhongxin Lihe Financing Guarantee Co., Ltd. (浙江中新力合融資擔保有限公司), and (iii) 13.32% by Shanghai Science and Technology Venture Capital Co., Ltd. (上海科技創業投資有限公司) which is ultimately owned by Shanghai Municipal State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會).

(33) Shanghai Yangpu Menghang Venture Capital Center (Limited Partnership) (上海楊浦夢航創業投資中心(有限合夥)) is a private equity fund established in the PRC in May 2018, owned as to approximately (i) 0.28% by its general partner Shanghai Ruichuan Venture Capital Management Co., Ltd. (上海睿川創業投資管理有限公司), and (ii) 99.72% by its limited partner Shanghai Yangpu District Financial Development Service Center (上海市楊浦區金融發展服務中心).

(34) Shenzhen TCL Strategic Equity Investment Fund Partnership (Limited Partnership) (深圳TCL戰略股權投資基金合夥企業(有限合夥)) is a venture capital fund established in the PRC in June 2018, owned as to approximately (i) 0.22% by its general partner Ningbo Jiutian Matrix Investment Management Co., Ltd. (寧波市九天矩陣投資管理有限公司), which is ultimately owned as to 50.00% by YUAN Bing (袁冰) and as to 40.00% by TCL Technology Group Co., Ltd., (ii) 39.26% by its limited partner TCL China Star Optoelectronics Technology Co., Ltd. (TCL華星光電技術有限公司), which is owned as to approximately 82.82% by TCL Technology Group Co., Ltd., (iii) 17.77% by its limited partner TCL Technology Group Co., Ltd., and (iv) 42.75% by three other limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(35) Ningbo Meishan Bonded Port Area Zhunrui Venture Capital Partnership (Limited Partnership) (寧波梅山保稅港區准睿創業投資合夥企業(有限合夥)) is a limited partnership established in the PRC in December 2017, owned as to approximately (i) 1.23% by its general partner Ningbo Jiutian Matrix Investment Management Co., Ltd. (寧波市九天矩陣投資管理有限公司), which is ultimately owned as to 50% by YUAN Bing (袁冰) and as to 40% by TCL Technology Group Co., Ltd., and (ii) 98.77% by its limited partner Ningbo Zhenglengzhu Venture Capital Partnership (Limited Partnership) (寧波正棱柱創業投資合夥企業(有限合夥)), which is in turn owned as to 0.25% by its general partner Hubei Changjiang Hezhi Equity Investment Fund Management Co., Ltd. (湖北省長江合志股權投資基金管理有限公司), as to 30.00% by its limited partner YUAN Bing (袁冰) and as to 69.75% by four other limited partners who are Independent Third Parties.

(36) Beijing Guoke Zhengdao Investment Center (Limited Partnership) (北京國科正道投資中心(有限合夥)) is a private equity fund established in the PRC in August 2013, owned as to approximately (i) 0.15% by its general partner WANG Wei (王瑋), and (ii) 99.85% by 38 limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

(37) Gongqingcheng Huihua Qixing Investment Partnership (Limited Partnership) (共青城惠華啟星投資合夥企業(有限合夥)) is a private equity fund established in the PRC in November 2019, owned as to approximately (i) 11.10% by its general partner XIAO Zhigao (肖志高), (ii) 36.13% by its limited partner GUO Kai (郭凱), and (iii) 52.77% by eight limited partners, each of whom holds less than 30% partnership interests therein and is an Independent Third Party.

We completed the A Share Listing in October 2022 and issued a total of 30,210,600 A Shares during the A Share Listing, representing 25% of our Company's then number of issued Shares immediately following the A Share Listing. Upon completion of the A Share Listing, the shareholding structure of our Company was as follows:

Name of Shareholder	Shareholding percentage
Mr. SUN Yuanhao(1)	9.24%
Shanghai Zanxing(1)	6.24%
Mr. FAN Lei(1)	5.02%
Mr. LV Cheng(1)	1.26%
Mr. SHE Hui(1)	0.72%
Linzhi Lichuang Information Technology Co., Ltd.(2)	8.77%
Industry Investment Fund Co. Ltd.(3)	5.59%
Shanghai Yunyou Investment Office(4)	3.67%
CICC(5)	3.44%
SCGC Capital(6)	1.98%
Jinhua Yanghang CoStone Equity Investment Partnership(7)	1.17%
Other investors(8)(9)	52.90%
Total	**100.00%**

Notes:

(1) to (4), please refer to the corresponding notes to the table of shareholding as of November 30, 2021.

(5) It comprises CICC Qizhi (Shanghai) Equity Investment Center (Limited Partnership) (中金祺智(上海)股權投資中心(有限合夥)), Ningbo Meishan Bonded Port Zone CICC Haochen Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區中金澔晨股權投資合夥企業(有限合夥)) and China CICC Wealth Management Securities Co., Ltd. (中國中金財富證券有限公司). See "— Investments Prior to the A Share Listing — Our Pathfinder SIIs and Sophisticated Independent Investors" for details.

(6) to (7), please refer to the corresponding notes to the table of shareholding as of November 30, 2021.

(8) Including two asset management plans participated by management and employees of our Company as part of the strategic placement in connection with the A Share Listing, representing approximately 0.72% in aggregate of our total share capital upon completion of the A Share Listing.

(9) Each of the other investors held no more than 5% of our Shares at that time.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

OUR A SHARE LISTING AND REASONS FOR THE LISTING ON THE STOCK EXCHANGE

Since October 2022, our Company has been listed on the STAR Market. As of the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with the rules of the STAR Market and other applicable securities laws and regulations of the PRC since our listing on the STAR Market, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the STAR Market. As of the Latest Practicable Date, as advised by our PRC Legal Advisors, since the A Share Listing, our Company has been in compliance with all applicable securities laws and regulations of the PRC in all material respects. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisors' view, nothing has come to the Sole Sponsor's attention that would cause it to disagree with our Directors' confirmation with regard to the compliance records of the Company on the STAR Market.

Our Company seeks to be listed on the Hong Kong Stock Exchange in order to further strengthen our Company's overall competitiveness, enhance our brand awareness, and diversify our fundraising channels. See "Business — Development Strategies" and "Future Plans and Use of Proceeds" for more details.

CONCERT PARTY ARRANGEMENT

In order to consolidate the voting power at Board/Shareholders' meetings of our Company, Mr. SUN Yuanhao entered into an acting-in-concert agreement with Mr. LV Cheng, Mr. FAN Lei, Mr. SHE Hui and Shanghai Zanxing (each a "**Concert Party**" and collectively, the "**Concert Parties**") dated January 25, 2019, pursuant to which, the Concert Parties acknowledged that they had been acting in concert since January 1, 2019 and agreed to continue to act in concert by aligning their votes at the Board and/or the Shareholders' meetings of our Company in accordance with the consensus achieved among them. If the Concert Parties are unable to reach consensus on any matter presented, on the premise that Mr. SUN Yuanhao's legal rights will not be hampered and our Company's interests will be safeguarded, the opinion of Mr. SUN Yuanhao shall be adopted. The acting-in-concert agreement will not terminate until, whichever is earlier: (i) all parties thereto agree in writing to terminate such agreement, or (ii) (as to such party) a party ceases to hold any Shares of our Company directly or indirectly.

EMPLOYEE INCENTIVE SCHEMES

Prior to the A Share Listing, in recognition of the contributions of our employees, Shanghai Zanxing, Jiaxing Xingrong Equity Investment Partnership (Limited Partnership) (嘉興星榮股權投資合夥企業(有限合夥)) ("**Jiaxing Xingrong**"), Jiaxing Xinghan Equity Investment Partnership (Limited Partnership) (嘉興星瀚股權投資管理合夥企業(有限合夥)) ("**Jiaxing Xinghan**"), Jiaxing Xingzhi Equity Investment Partnership (Limited Partnership) (嘉興星智股權投資管理合夥企業(有限合夥)) ("**Jiaxing Xingzhi**"), Jiaxing Xinghuan Equity Investment Partnership (Limited Partnership) (嘉興星環股權投資管理合夥企業(有限合夥)) ("**Jiaxing Xinghuan**"), Jiaxing Xingye Equity Investment Partnership (Limited Partnership) (嘉興星業股權投資管理合夥企業(有限合夥)) ("**Jiaxing Xingye**"), and Shanghai Yexing Enterprise Management Center (Limited Partnership) (上海業星企業管理中心(有限合夥)) ("**Shanghai Yexing**") were established as our employee shareholding platforms, each with Mr. SUN Yuanhao acting as the general partner. Jiaxing Xingrong, Jiaxing Xinghan, Jiaxing Xingzhi, Jiaxing Xinghuan, Jiaxing Xingye and Shanghai Yexing are limited partners of Shanghai Zanxing. See the following table for details of their respective interests in Shanghai Zanxing. The limited partners of each of Jiaxing Xingrong, Jiaxing Xinghan, Jiaxing Xingzhi, Jiaxing Xinghuan, Jiaxing Xingye and Shanghai Yexing are employees, former employees and former consultants of our Group.

As of the Latest Practicable Date, the partnership interest in Shanghai Zanxing was held by Mr. SUN Yuanhao as to approximately 0.38% as the general partner and the following table sets forth the partnership interest held by each of our employee shareholding platforms (other than Shanghai Zanxing) in Shanghai Zanxing:

Name	Percentage of interest(1)	Role
Jiaxing Xingrong(2)	20.94%	Limited partner
Jiaxing Xinghan(2)	20.47%	Limited partner
Jiaxing Xingzhi(2)	19.27%	Limited partner
Jiaxing Xinghuan(2)	19.15%	Limited partner
Jiaxing Xingye(2)	9.72%	Limited partner
Shanghai Yexing(2)	3.43%	Limited partner

Notes:

(1) As of the Latest Practicable Date, the remaining 6.63% partnership interest in Shanghai Zanxing was held by Jiaxing Xingyuan Equity Investment Partnership (Limited Partnership) (嘉興星源股權投資合夥企業(有限合夥)) ("Jiaxing Xingyuan") as a limited partner. Jiaxing Xingyuan is not an employee shareholding platform. Mr. SUN Yuanhao is the general partner of Jiaxing Xingyuan, holding approximately 58.21% of the partnership interests therein. The limited partnership interests of Jiaxing Xingyuan were initially held by certain employees of our Group, who were granted such interests as employee incentives and subsequently transferred such interests to certain individual investors prior to the commencement of the Track Record Period at a consideration based on arm's length commercial negotiations. As of the Latest Practicable Date, the limited partnership interests of Jiaxing Xingyuan were held by three individual investors, namely WANG Meng (王盟), WU Jiancheng (吳建成) and CHENG Guizhen (程貴貞), each being an Independent Third Party, none of which held 30% or more of the partnership interests therein. Each of WANG Meng and WU Jiancheng is a third-party financial investor, and CHENG Guizhen is a former employee of our Group who acquired such interests through arm's length transfer based on commercial consideration rather than as employee incentives.

(2) None of the limited partners in such employee shareholding platform held 30% or more of the partnership interests of the respective employee shareholding platform, except for Mr. FAN Lei, one of the Single Largest Group of Shareholders, who held approximately 41.61% of the partnership interests in Jiaxing Xingrong as a limited partner.

The respective partnership interest of our each of our Directors, senior management and connected persons of the Company as well as our Core R&D Members in our employee shareholding platforms is set out as follows:

Name of individual	Position/connected relationship	Name of entity	Role in the employee shareholding platform	Percentage of interest
Mr. SUN Yuanhao	Founder, executive Director, chairman of the Board, general manager and Core R&D Member	Shanghai Zanxing	General partner	0.38%
		Jiaxing Xingrong	General partner	1.27%
		Jiaxing Xinghan	General partner	27.34%
		Jiaxing Xingzhi	General partner	34.10%
		Jiaxing Xinghuan	General partner	5.92%
		Jiaxing Xingye	General partner	30.35%
		Shanghai Yexing	General partner	90.90%
Ms. WEN Ye	Executive Director and deputy general manager	Jiaxing Xinghan	Limited partner	12.70%
Mr. LV Cheng	Executive Director, vice president and Core R&D Member	Jiaxing Xinghuan	Limited partner	13.58%
Ms. LI Yiduo	Executive Director, chief financial officer, secretary of the Board, and joint company secretary	Jiaxing Xinghuan	Limited partner	2.72%
Mr. LIU Xi (劉熙)	Supervisor of Beijing Transwarp	Jiaxing Xinghuan	Limited partner	11.82%
Mr. ZHU Junchen	Executive Director, vice president and Core R&D Member	Jiaxing Xingzhi	Limited partner	15.00%
Mr. ZHANG Liming	Executive Director and deputy general manager	Jiaxing Xingzhi	Limited partner	10.79%

Name of individual	Position/connected relationship	Name of entity	Role in the employee shareholding platform	Percentage of interest
Mr. FAN Lei	One of the Single Largest Group of Shareholders	Jiaxing Xingrong	Limited partner	41.61%
Mr. LIU Wanggen	Core R&D Member and vice president	Jiaxing Xingye	Limited partner	29.74%

Save as disclosed above, there is no other Directors, senior management, connected persons or Core R&D Members of the Company who are interested in the above-mentioned employee shareholding platforms. As of the Latest Practicable Date, the remaining interests in the above-mentioned employee shareholding platforms (including Jiaxing Xingrong, Jiaxing Xinghan, Jiaxing Xingzhi, Jiaxing Xinghuan, Jiaxing Xingye and Shanghai Yexing) were held by 97 employees, former employees and former consultants, each of them indirectly holding less than 10% of the economic interests in Shanghai Zanxing. Mr. SUN Yuanhao is entitled to manage partnership affairs of Shanghai Zanxing and exercise the voting rights attached to the Shares held by Shanghai Zanxing as its general partner in accordance with the partnership agreement of Shanghai Zanxing.

After our A Share Listing, in March 2023, we adopted the 2023 Share Incentive Scheme. See "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme" for details.

INVESTMENTS PRIOR TO THE A SHARE LISTING

Prior to the A Share Listing, we completed seven rounds of pre-IPO investments, namely the Series A Financing, the Series A+ Financing, the Series B Financing, the Series C Financing, the Series D1 Financing, the Series D2 Financing and the Series E Financing. These pre-IPO investments provided us with additional capital, which was utilized for the expansion of our Company's business and general working capital purpose. We also benefited from the investors' market knowledge, influence and experience, whose investments demonstrated their confidence in our business development and prospects.

The investors under these pre-IPO investments were granted certain special rights customary to transactions of this nature, and all such special rights had been terminated, or had been revoked void *ab initio*, prior to the Track Record Period pursuant to the termination agreement entered into in June 2021. All terminated special rights shall not be reinstated in any event, except that, pursuant to supplemental agreements to the termination agreement (the "**Supplemental Agreements**") entered into between the grantor shareholders (namely Mr. SUN Yuanhao, Mr. FAN Lei, Mr. LV Cheng, Mr. SHE Hui, Shanghai Zanxing and Shanghai Yunyou Investment Office) and certain pre-IPO investors of the Company in June 2021, the redemption rights granted by the grantor shareholders shall be reinstated upon the earliest occurrence of the following events: (i) the rejection of the A Share Listing application by the securities regulatory authorities, (ii) the withdrawal of the A Share Listing application by the Company, (iii) the failure to obtain the approval within 18 months from the date of acceptance of the A Share Listing application or complete the A Share Listing within the validity period of the approval, or (iv) (applicable to certain investors) the Company expressly dropping the arrangement or work relating to the A Share Listing application. As the A Share Listing was completed on October 18, 2022, which was within 18 months from the acceptance of the A Share Listing application on November 30, 2021, the conditions of reinstatement of such redemption rights granted by the aforementioned grantor shareholders had not been, and will not be, satisfied. There is no guarantee provided by the Company in respect of the redemption rights granted by the aforementioned grantor shareholders. Save as disclosed above, there is no other side agreement in relation to the special rights granted under the pre-IPO investments. Considering that the Company is not a party to the Supplement Agreements, no liability regarding such redemption rights was recorded during the Track Record Period. Accordingly, no provision for liabilities is required to be recognized in the financial statements of the Company during the Track Record Period. See Note 36 to the Accountants' Report included in Appendix I to this prospectus.

In addition, as required by the Company Law, all Shares issued prior to the A Share Listing were subject to a 12-month disposal lock-up from the date of the A Share Listing, which had expired as of the Latest Practicable Date.

	Series A Financing	Series A+ Financing[2]	Series B Financing[3]	Series C Financing[4]	Series D1 Financing[5]	Series D2 Financing[6]	Series E Financing[7]
Date of agreement	June 30, 2014	December 15, 2014	February 4, 2016	April 24, 2017	February 28, 2019	September 6, 2019	December 24, 2020
Number of Shares issued[1]	5,537,971	5,258,765	8,848,040	9,219,526	6,953,102	9,685,321	5,925,479
Amount of consideration paid	RMB22,000,000	RMB31,500,000	RMB155,000,000	RMB235,000,000	RMB306,450,000	RMB430,000,000	RMB300,800,000
Cost per Share	RMB3.97	RMB5.99	RMB17.52	RMB25.49	RMB44.07	RMB44.40	RMB50.76
Last date of settlement of consideration	September 10, 2014	January 20, 2015	July 6, 2016	June 27, 2017	April 16, 2019	October 14, 2019	February 10, 2021
Pre-money valuation of our Company	RMB155.7 million	RMB268.0 million	RMB875.9 million	RMB1.5 billion	RMB3.0 billion	RMB3.3 billion	RMB4.3 billion
Post-money valuation of our Company	RMB177.7 million	RMB299.5 million	RMB1.0 billion	RMB1.7 billion	RMB3.3 billion	RMB3.8 billion	RMB4.6 billion

Notes:

(1) The number of Shares issued to the investors prior to our conversion into a joint stock company in November 2020, represents the number of Shares converted based on the share capital subscribed by such investors and divided into a corresponding number of Shares with a nominal value of RMB1.00 each. The number of Shares are adjusted to reflect the capital increase in June 2015, during which the registered capital of our Company increased from RMB12,754,040 to RMB50,000,000.

(2) The increase in valuation from Series A Financing to Series A+ Financing was mainly due to the rapid expansion of our business in 2014, the second year after our establishment.

(3) The increase in valuation from Series A+ Financing to Series B Financing was mainly due to the following reasons: (a) in 2015, we innovated our relational analytics engine as our TDH was compatible with ANSI SQL and legacy dialects, supporting smooth system migration and developer adoption, and our platform supported distributed transactions with strong consistency to improve the performance and scalability of the data systems; and (b) in 2016, we became the first Chinese company included in Gartner's Magic Quadrant for Data Warehouse and Data Management Solutions, and were positioned ahead of certain U.S. vendors on the "vision" axis.

(4) The increase in valuation from Series B Financing to Series C Financing was mainly due to the fact that in May 2016, we engaged in a major program, which involves the building of a big data platform for a well-established SOE to conduct business analysis and decision support, demonstrating our technical leadership driving domestic substitution.

(5) The increase in valuation from Series C Financing to Series D1 Financing was mainly due to the following reasons: (a) we launched the container-based data cloud technology to enable flexible and efficient resource scheduling and orchestration; (b) in 2018, our TDH V5.1 passed the official TPC-DS benchmark audit, becoming the first product globally to do so in full; (c) our products and solutions had been deployed across a variety of industries, including finance, government services, energy, transportation, and manufacturing, demonstrating our broad industry penetration and strong replicability.

(6) The increase in valuation from Series D1 Financing to Series D2 Financing was mainly due to the launch of our self-developed, distributed database system, ArgoDB. In August 2019, our ArgoDB V1.2.1 passed the TPC-DS benchmark test, making it the fourth database product worldwide to achieve this certification, demonstrating our database product research and development capabilities.

(7) The increase in valuation from Series D2 Financing to Series E Financing was mainly due to the following reasons: (a) we further innovated our unified multi-model data processing technology to support massive parallel processing across large dataset; and (b) our participation in national and municipal flagship projects, including the project under the MIIT, further underscored our leadership in China's foundational software localization push.

Our Pathfinder SIIs and Sophisticated Independent Investors

We have received meaningful investments from the following Sophisticated Independent Investors (including Pathfinder SIIs), and each having invested in our Company for at least 12 months prior to the A Share Listing. To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, each of the following Sophisticated Independent Investors (including Pathfinder SIIs) is an Independent Third Party.

Our Pathfinder SIIs

(i) Linzhi Lichuang

Linzhi Lichuang is a Pathfinder SII which participated in the Company's Series C Financing.

Throughout the pre-application 12-month period of the A Share Listing (being the period from November 30, 2020 to November 29, 2021), Linzhi Lichuang was interested in the issued share capital of the Company at a shareholding level between 11.69% and 12.51%.

As of the date of the A Share Listing, Linzhi Lichuang was interested in 8.77% of the issued share capital of our Company.

Linzhi Lichuang is a limited liability company established in the PRC, which is wholly owned by Linzhi Yongchuang Information Technology Co., Ltd. (林芝永創信息科技有限公司), a subsidiary of Tencent Holdings Limited ("**Tencent**"). Tencent is a company listed on the Main Board of the Stock Exchange (HKEX: 00700 (HKD Counter) and 80700 (RMB Counter)) and is principally engaged in the provision of communication, social, digital content, games, marketing, fintech and cloud services in the PRC. We became acquainted with Linzhi Lichuang during our Series C Financing through our business network.

As of December 31, 2016 (being a date within six months prior to the date of signing of the first definitive agreement for its pre-IPO investment) and June 30, 2021 (being a date within six months prior to the date of acceptance of the A Share Listing application), the investment portfolio of Tencent exceeded RMB160 billion and RMB830 billion, respectively, as recorded under various categories including investments in associates and joint ventures which are accounted for by using equity method, and financial assets at fair value through profit or loss and through other comprehensive income. As Linzhi Lichuang is a subsidiary of Tencent, whose investment portfolio size at the relevant dates met the threshold set out in paragraph 21 of Chapter 2.5 of the Listing Guide, and the investment decisions of Linzhi Lichuang are ultimately managed and controlled by Tencent, Linzhi Lichuang qualified as a SII at the time of the A Share Listing.

(ii) Industry Investment Fund

Industry Investment Fund is a Pathfinder SII which participated in the Company's Series D2 Financing.

Throughout the pre-application 12-month period of the A Share Listing, Industry Investment Fund was interested in the issued share capital of the Company at a shareholding level between 7.98% and 7.46%.

As of the date of the A Share Listing, Industry Investment Fund was interested in 5.59% of the issued share capital of our Company.

Industry Investment Fund is a state-owned investment fund organized as a limited liability company incorporated under the laws of the PRC and is principally engaged in equity investment, investment consultation, project investment and asset management. Industry Investment Fund has 31 shareholders, the largest of which is the Ministry of Finance of the PRC, holding 16.66% of its shareholding interest, and none of the remaining shareholders directly hold more than 11% of its shareholding interest. We became acquainted with Industry Investment Fund when it conducted its own industry research and approached us for investment opportunities during our Series D2 Financing.

As of June 30, 2019 (being a date within six months prior to the date of signing of the first definitive agreement for its pre-IPO investment) and June 30, 2021 (being a date within six months prior to the date of acceptance of the A Share Listing application), the registered share capital of Industry Investment Fund amounted to RMB56 billion and RMB56 billion, respectively. Industry Investment Fund qualified as a SII at the time of the A Share Listing.

(iii) CICC

CICC, through CICC Qizhi (Shanghai) Equity Investment Center (Limited Partnership) (中金祺智(上海)股權投資中心(有限合夥)) ("**CICC Qizhi**") and Ningbo Meishan Bonded Port Zone CICC Haochen Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區中金澔晨股權投資合夥企業(有限合夥)) ("**CICC Haochen**"), is a SII which participated in the Company's Series D1 Financing and Series D2 Financing.

Throughout the pre-application 12-month period of the A Share Listing, CICC was interested in the issued share capital of the Company at a shareholding level between 3.25% and 3.48%.

CICC Qizhi is a limited partnership established in the PRC and is principally engaged in private equity investment. It has over 40 limited partners, none of which hold more than 30% of its partnership interest. CICC Qizhi is managed by its general partner, CICC Private Equity Investment Management Co., Ltd. (中金私募股權投資管理有限公司) ("**CICC PE**"), a wholly-owned subsidiary of China International Capital Corporation ("**CICC**"). Accordingly, the investment decisions of CICC Qizhi were ultimately managed and controlled by CICC.

CICC Haochen is a limited partnership established in the PRC and is principally engaged in private equity investment. It has over 10 limited partners, the largest of which is Ningbo Meishan Bonded Port Zone CICC Haohan Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區中金澔瀚股權投資合夥企業(有限合夥)) ("**CICC Haohan**") which holds 58.89% of its partnership interest. None of the other limited partners of CICC Haochen hold more than 30% of its partnership interest. Both CICC Haochen and CICC Haohan are managed by its general partner, CICC Capital Management Co., Ltd. (中金資本運營有限公司) ("**CICC Capital**"), a wholly-owned subsidiary of CICC.

Furthermore, CICC, as a SII, through China CICC Wealth Management Securities Co., Ltd. (中國中金財富證券有限公司) ("**CICC Wealth**"), participated as a strategic investor in the initial public offering of the A Share Listing by subscribing approximately 1.00% of the enlarged total issued share capital of the Company at the time of the A Share Listing. CICC Wealth is a limited liability company established in the PRC and is principally engaged in wealth management and brokerage business. CICC Wealth is a wholly-owned subsidiary of CICC.

As of the date of the A Share Listing, CICC was interested in 3.44% of the issued share capital of our Company.

CICC is a company listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995.SH) and is principally engaged in investment banking business, equities business, fixed-income, commodities and currency business, asset management business, private equity business, wealth management business and other business activities. We became acquainted with CICC when it conducted its own industry research and approached us for investment opportunities during our Series D1 Financing.

As of December 31, 2018 (being a date within six months prior to the date of signing of the first definitive agreement for its pre-IPO investment) and June 30, 2021 (being a date within six months prior to the date of acceptance of the A Share Listing application), CICC had an aggregate AUM of RMB662.0 billion and RMB1,634.9 billion, respectively. As (i) CICC PE is the general partner of CICC Qizhi, (ii) CICC Capital is the general partner of CICC Haochen, (iii) each of CICC PE, CICC Capital and CICC Wealth is a wholly-owned subsidiary of CICC, whose AUM at the relevant dates met the threshold set out in paragraph 21 of Chapter 2.5 of the Listing Guide, and (iv) the investment decisions of CICC Qizhi, CICC Haochen and CICC Wealth are ultimately managed and controlled by CICC, CICC qualified as a SII at the time of the A Share Listing.

Our Other Sophisticated Independent Investors

(i) SCGC

Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) ("**SCGC**"), directly and through Liyang Hongtu New Economy Venture Capital Fund Partnership (Limited Partnership) (溧陽紅土新經濟創業投資基金合夥企業(有限合夥)) ("**Liyang Hongtu**") and Shanghai Jinshan Hongtu Venture Capital Investment Center (Limited Partnership) (上海金山紅土創業投資中心(有限合夥)) ("**Shanghai Hongtu**"), is a SII which participated in the Company's Series B Financing and Series D1 Financing.

As of the date of the A Share Listing, SCGC was interested in 1.98% of the issued share capital of our Company.

SCGC was established in 1999 during the first China International High-Tech Fair, and is a state-owned investment institution with a core focus on venture capital. Adhering to the guiding principles of investing early, investing in SMEs, investing for long term, and investing in hard technology, SCGC focuses on sectors such as information technology, equipment manufacturing, healthcare, new materials and new energy. Major shareholders of SCGC include (1) the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會), holding 28.20% of the equity interest in SCGC, (2) Shenzhen Galaxy Real Estate Development Co., Ltd. (深圳市星河房地產開發有限公司), a company ultimately controlled by Mr. Huang Chulong (黃楚龍), an Independent Third Party, holding 20.00% of the equity interest in SCGC, (3) Shenzhen Capital Holdings Co., Ltd. (深圳市資本運營集團有限公司), which is wholly-owned by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government and holds 12.79% of the equity interest in SCGC, and (4) Shanghai Dazhong Public Utilities (Group) Co., Ltd. (上海大眾公用事業(集團)股份有限公司), a company listed on the Stock Exchange (stock code: 1635) and the Shanghai Stock Exchange (stock code: 600635), holding 10.80% of the equity interest in SCGC. Save as disclosed above, SCGC has no other shareholder which individually holds more than 10% of the equity interest in SCGC. We became acquainted with SCGC when it conducted its own industry research and approached us for investment opportunities during our Series B Financing.

Liyang Hongtu is a limited partnership established in the PRC which focuses on venture capital investment with Changzhou Hongtu High Tech Investment Management Co., Ltd. (常州紅土高科投資管理有限公司) ("**Changzhou Hongtu**") as its general partner, holding 1.04% of the partnership interest therein, which is in turn indirectly wholly-owned by SCGC. Liyang Hongtu has nine limited partners, none of which holds 30% or more of the partnership interest therein.

Shanghai Hongtu is a limited partnership established in the PRC which focuses on venture capital investment with Shanghai Hongtu Innovation Private Fund Management Co., Ltd. (上海紅土創新私募基金管理有限公司) ("**Shanghai Hongtu Innovation**") as its general partner, holding 0.96% of the partnership interest therein, which is in turn indirectly wholly-owned by SCGC. Shanghai Hongtu has ten limited partners and is owned as to 31.95% by Shanghai Jiliang Venture Capital Co., Ltd. (上海績亮創業投資有限公司), 28.75% by SCGC, and 38.34% by the other eight limited partners, none of which holds 30% or more of the partnership interest therein.

As of December 31, 2015 (being a date within six months prior to the date of signing of the first definitive agreement for its pre-IPO investment) and June 30, 2021 (being a date within six months prior to the date of acceptance of the A Share Listing application), the AUM of SCGC exceeded HK$15 billion and RMB350 billion, respectively. As (i) Changzhou Hongtu is the general partner of Liyang Hongtu, (ii) Shanghai Hongtu Innovation is the general partner of Shanghai Hongtu, (iii) each of Changzhou Hongtu and Shanghai Hongtu Innovation is indirectly wholly-owned by SCGC, and SCGC is ultimately responsible for the investment decisions of Liyang Hongtu and Shanghai Hongtu, and (iv) as the AUM of SCGC at the relevant dates met the threshold set out in paragraph 21 of Chapter 2.5 of the Listing Guide, SCGC qualified as a SII at the time of the A Share Listing.

(ii) Yanghang CoStone

Jinhua Yanghang CoStone Equity Investment Partnership (金華揚航基石股權投資合夥企業(有限合夥)) ("**Yanghang CoStone**") is a SII which participated in the Company's Series B Financing.

As of the date of the A Share Listing, Yanghang CoStone was interested in 1.17% of the issued share capital of our Company.

Yanghang CoStone is a limited partnership incorporated in the PRC which is principally engaged in private equity investment. Yanghang CoStone has six limited partners and is owned as to 44.97% by Juzhou Asset Management (Shanghai) Co., Ltd. (鉅洲資產管理(上海)有限公司), 35.89% by Urumqi Phoenix Cornerstone Equity Investment Management Limited Partnership (烏魯木齊鳳凰基石股權投資管理有限合夥企業) which is ultimately controlled by CoStone Asset Management Co., Ltd. (基石資產管理股份有限公司) ("**CoStone Capital**"), and 18.07% by four other limited partners, none of which holds 30% or more of the partnership interest therein. Yanghang CoStone is managed by its general partner, Hangzhou Yanghang CStone Private Equity Fund Management Partnership (Limited Partnership) (杭州揚航基石私募基金管理合夥企業(有限合夥)), which is ultimately controlled by CoStone Capital. Accordingly, CoStone Capital is ultimately responsible for the investment decisions of Yanghang CoStone. We became acquainted with Yanghang CoStone through our business network.

CoStone Capital, one of the earliest private equity investment institutions in China started its business in 2008 and its core team has been engaged in equity investment for more than 20 years. Currently, CoStone Capital has accumulated more than 80 investment funds with an aggregated assets under management of more than RMB90 billion.

As of December 31, 2015 (being a date within six months prior to the date of signing of the first definitive agreement for its pre-IPO investment) and June 30, 2021 (being a date within six months prior to the date of acceptance of the A Share Listing application), the AUM of CoStone Capital amounted to RMB14 billion and RMB55 billion, respectively. As the AUM of CoStone Capital at the relevant dates met the threshold set out in paragraph 21 of Chapter 2.5 of the Listing Guide, Yanghang CoStone qualified as a SII at the time of the A Share Listing.

Meaningful Investment from Sophisticated Independent Investors

We have received investments from three Pathfinder SIIs, namely Linzhi Lichuang, Industry Investment Fund and CICC, each having invested in the Group for at least 12 months prior to the application of our A Share Listing. In accordance with Chapter 2.5 of the Guide, each of Linzhi Lichuang, Industry Investment Fund and CICC held more than 3%, and in aggregate more than 10%, of the issued share capital of our Company as of the date of our application for A Share Listing and throughout the pre-application 12-months period, which met the Pathfinder SIIs investment benchmark requirement under paragraph 26(i) of Chapter 2.5 of the Guide.

Our Sophisticated Independent Investors held, in aggregate, approximately 20.95% of the total issued share capital of our Company at the time of the A Share Listing, which met the 20% aggregate investment benchmark requirement under paragraph 26(ii) of Chapter 2.5 of the Guide.

LOCK-UP PERIODS

The table below sets out the list of persons who are, together with their respective close associates, subject to lock-up requirements pursuant to Rule 18C.14 of the Listing Rules:

Name	Capacity	Aggregate number of A Shares held immediately following the completion of the Global Offering	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the Global Offering(1)	Lock-up period
Key persons and their close associates(2)				
Mr. SUN Yuanhao	Founder, executive Director, chairman of the Board, general manager and Core R&D Member	11,167,863	8.26%	Commencing on the date of this prospectus and ending on expiry of 12 months from the Listing Date
Mr. LV Cheng	Executive Director, vice president and Core R&D Member	1,519,779	1.12%	Commencing on the date of this prospectus and ending on expiry of 12 months from the Listing Date
Shanghai Zanxing(3)	Close associate of Mr. SUN Yuanhao	7,537,589	5.58%	Commencing on the date of this prospectus and ending on expiry of 12 months from the Listing Date

Name	Capacity	Aggregate number of A Shares held immediately following the completion of the Global Offering	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the Global Offering[(1)]	Lock-up period
Ms. LI Yiduo[(4)]	Executive Director, chief financial officer, secretary of the Board, and joint company secretary	9,856	0.01%	Commencing on the date of this prospectus and ending on expiry of 12 months from the Listing Date

Notes:

(1) The calculation is based on the assumptions that no additional Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date.

(2) Mr. LIU Wanggen is also entitled to outstanding share options representing 3,000 A Shares under the 2023 Share Incentive Scheme, which are subject to a vesting period. Should these A Shares be vested within 12 months from the Listing Date, such A Shares will be subject to a lock-up period ending on expiry of 12 months from the Listing Date. See "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme" for details.

(3) As of the Latest Practicable Date, (i) Mr. LV Cheng, Mr. ZHU Junchen (executive Director, vice president and Core R&D Member), Ms. WEN Ye (executive Director and deputy general manager), Mr. ZHANG Liming (executive Director and deputy general manager), Ms. LI Yiduo and Mr. LIU Wanggen (Core R&D Member and vice president) held their respective interests as limited partners in our employee shareholding platforms (including Jiaxing Xinghan, Jiaxing Xingzhi, Jiaxing Xinghuan and Jiaxing Xingye), which in turn are the limited partners of Shanghai Zanxing, and (ii) Mr. SUN Yuanhao held interests as general partner in Shanghai Zanxing as well as our other employee shareholding platforms (including Jiaxing Xingrong, Jiaxing Xinghan, Jiaxing Xingzhi, Jiaxing Xinghuan, Jiaxing Xingye and Shanghai Yexing) and Jiaxing Xingyuan, which in turn are the limited partners of Shanghai Zanxing. See the subsection " — Employee Incentive Schemes" for details. Such (a) partnership interests held by our executive Directors, senior management and Core R&D Members in Shanghai Zanxing as well as in the limited partners of Shanghai Zanxing, and (b) partnership interests held by Jiaxing Xingrong, Jiaxing Xinghan, Jiaxing Xingzhi, Jiaxing Xinghuan, Jiaxing Xingye, Shanghai Yexing and Jiaxing Xingyuan in Shanghai Zanxing, will be subject to a lock-up period ending on the expiry of 12 months from the Listing Date.

(4) Ms. Li is also entitled to outstanding share options representing 6,159 A Shares under the 2023 Share Incentive Scheme, which are subject to a vesting period. Should these A Shares be vested within 12 months from the Listing Date, such A Shares will be subject to a lock-up period ending on expiry of 12 months from the Listing Date. See "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme" for details.

Save as disclosed above, no other key persons of our Company or their respective close associates are interested in any Shares of our Company that shall be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules.

In addition, as required by the Company Law, all Shares that were issued prior to the A Share Listing were subject to a 12-month disposal lock-up period from the date of the A Share Listing. This included the A Shares held by the Pathfinder SIIs at the time of the A Share Listing, namely Linzhi Lichuang, Industry Investment Fund, CICC Qizhi and CICC Haochen. Such lock-up expired on October 18, 2023. By observing such lock-up, the Pathfinder SIIs had already provided external validation for our Company's prospect. In addition, the performance of the publicly tradable A Shares has provided sufficient independent market support and third-party validation of our Company's valuation. Accordingly, the 6-month restrictions on the Pathfinder SIIs of a Commercial Company on the disposal of securities in respect of which they are shown by the listing document to be the beneficial owners following a new listing under Rule 18C.14(2) of the Listing Rules are not applicable on Linzhi Lichuang, Industry Investment Fund, CICC Qizhi and CICC Haochen.

PUBLIC FLOAT

Rule 19A.13A of the Listing Rules requires that there must be an open market in the securities for which listing is sought. Where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong; or (b) have an expected market value of not less than HK$3,000,000,000.

Pursuant to Rule 19A.13A(2) of the Listing Rules, the A Shares held by our Shareholders will not be counted towards the public float. Upon completion of the Global Offering, on the basis that no H Shares will be allocated under the Global Offering to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, all the H Shares held by other Shareholders upon Listing will be counted towards the public float. As a result, so far as our Directors are aware, immediately upon completion of the Global Offering, assuming (i) 14,010,800 H Shares are issued in the Global Offering and the market value of the H Shares based on the Offer Price of HK$49.00, HK$55.00, and HK$61.00 (being the low-end, mid-point and high-end of the indicative Offer Price range, respectively) will be HK$686.5 million, HK$770.6 million and HK$854.7 million, respectively; (ii) no additional Shares are issued pursuant to our 2023 Share Incentive Scheme; and (iii) no changes will be made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date, an aggregate of 14,010,800 H Shares will count towards the public float of our Company upon the completion of the Global Offering, representing 10.37% of the total issued Shares of our Company upon the completion of the Global Offering, higher than the prescribed percentage of H Shares required to be held by the public of 10% under Rule 19A.13A(2)(a) of the Listing Rules. Accordingly, the Company is expected to satisfy the public float requirement under Rule 19A.13A(2) of the Listing Rules.

FREE FLOAT

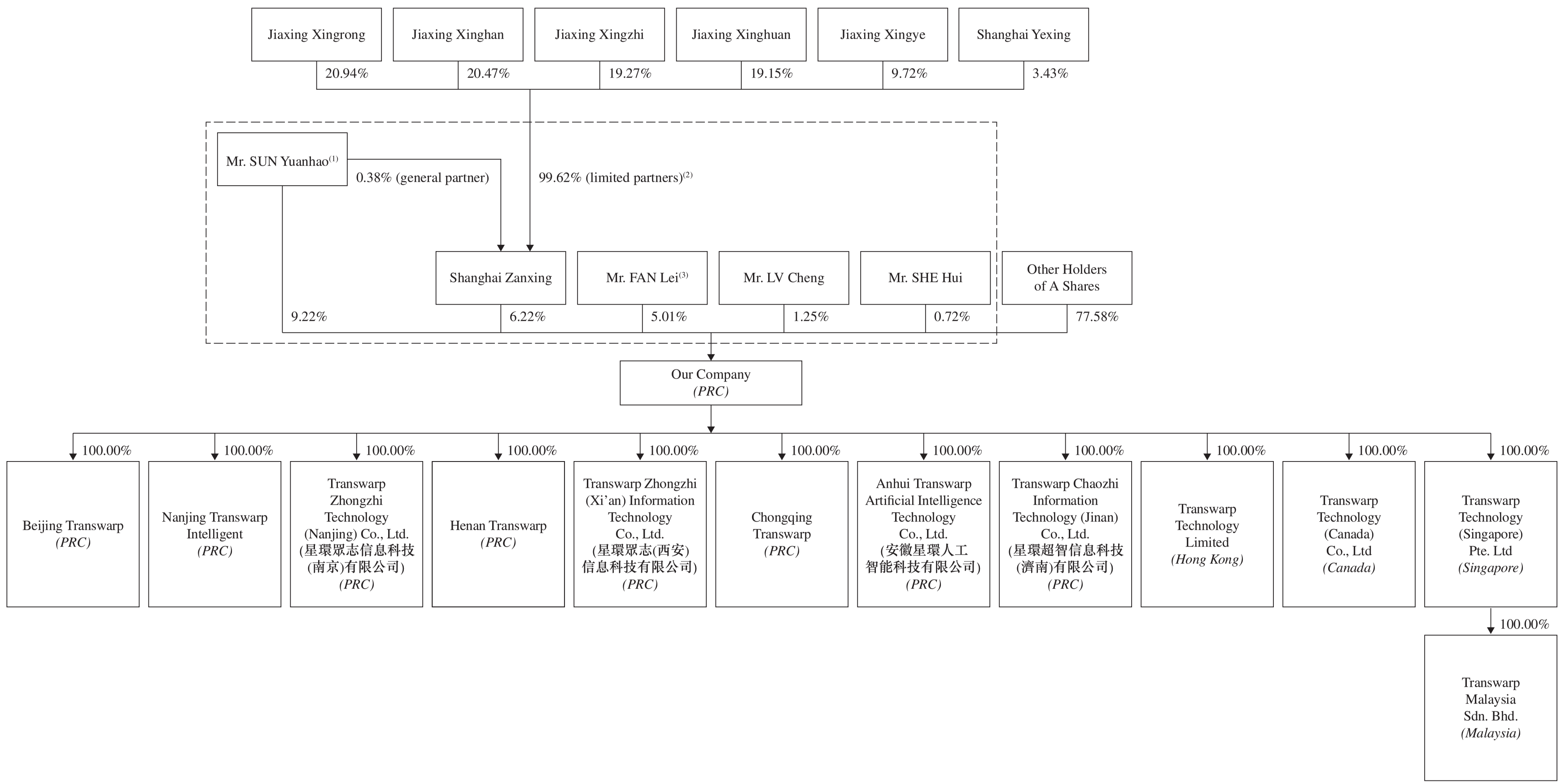
Under Rule 19A.13C(2) of the Listing Rules, a PRC issuer with other listed shares at the time of listing must ensure that a portion of the total number of its issued shares listed on the Stock Exchange (namely H shares) that are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of listing (i) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing, with an expected market value at the time of listing of not less than HK$50,000,000, or (ii) have a market capitalization of at least HK$600,000,000.

It is expected that based on the Offer Price of HK$49.00, being the low-end of the indicative Offer Price range, the number of H Shares listed on the Stock Exchange that are not subject to any disposal restrictions at the time of the Listing will be not less than 5% of the total number of issued shares of the Company, with an expected market value of not less than HK$50,000,000. Accordingly, our Company will be able to satisfy the requirements under Rule 19A.13C(2) of the Listing Rules.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately Before the Global Offering

The following chart sets forth the simplified shareholding and corporate structure of our Group as at the Latest Practicable Date and immediately before the Global Offering (assuming that no changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date):



Notes:

(1) Mr. SUN Yuanhao, Mr. LV Cheng, Mr. FAN Lei, Mr. SHE Hui and Shanghai Zanxing entered into an acting-in-concert agreement to acknowledge and confirm their acting-in-concert relationship in relation to the Company. See "— Concert Party Arrangement" for details. As of the Latest Practicable Date, Mr. SUN Yuanhao directly held approximately 0.38% of the partnership interest in Shanghai Zanxing as its general partner.

(2) Each of Jiaxing Xingrong, Jiaxing Xinghan, Jiaxing Xingzhi, Jiaxing Xinghuan, Jiaxing Xingye and Shanghai Yexing is an employee shareholding platform. The remaining 6.63% partnership interest in Shanghai Zanxing is held by Jiaxing Xingyuan. See "— Employee Incentive Schemes" for details.

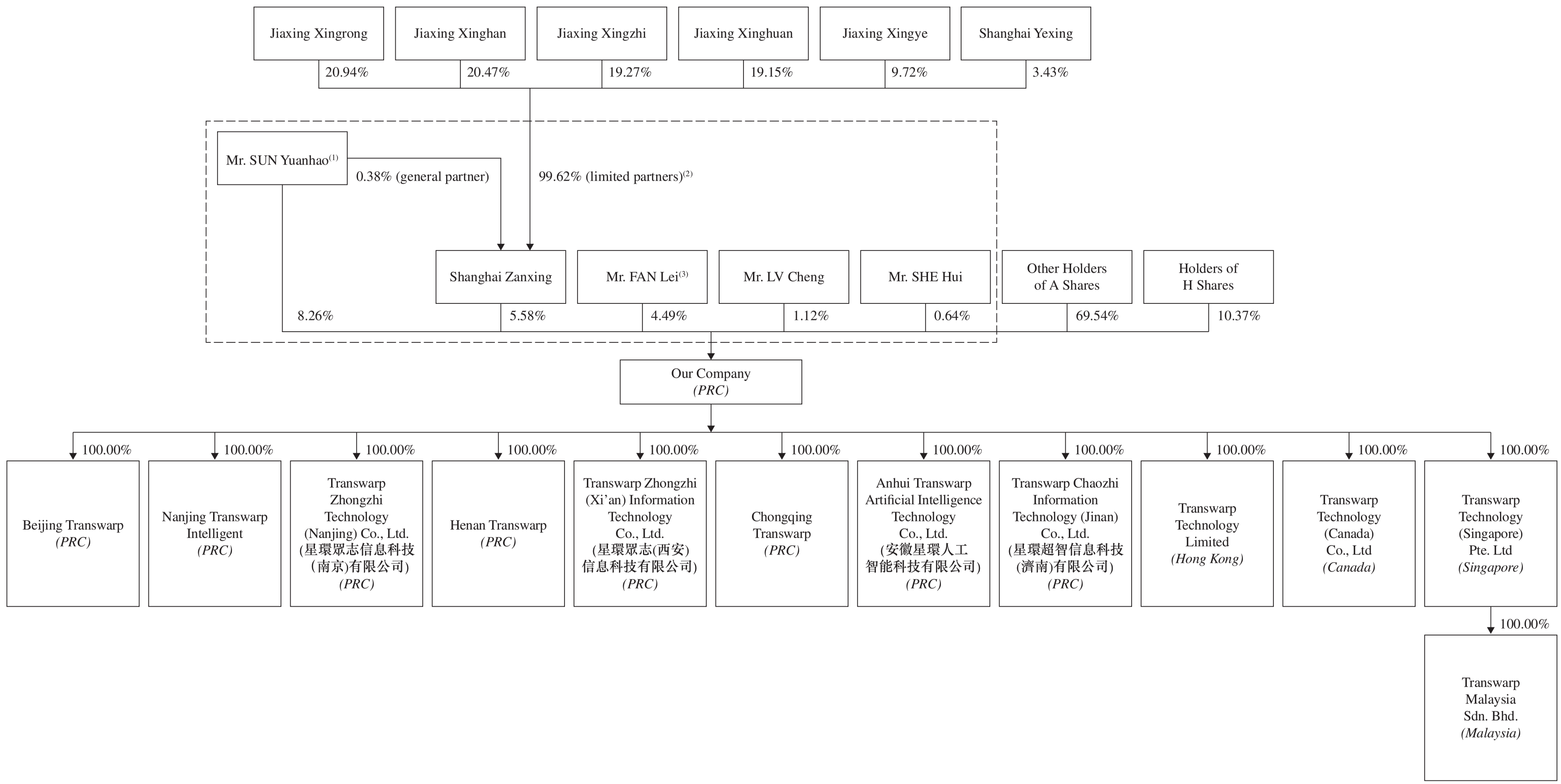
(3) As of the Latest Practicable Date, 1,177,309 Shares held by Mr. FAN Lei were frozen by judicial authorities in the PRC due to reasons unrelated to our Group, representing approximately 0.97% of the total issued share capital of our Company.

According to the Civil Procedure Law of the PRC (中華人民共和國民事訴訟法), Provisions regarding Issues in the Execution Work of People's Court Issued by the Supreme People's Court (Trial) (最高人民法院《關於人民法院執行工作若干問題的規定》(試行)) and Notice regarding Strengthening the Information Cooperation and Regulation of Execution and Assistance to Execution Issued by the Supreme People's Court and the State Administration for Industry and Commerce of the PRC (最高人民法院、國家工商總局《關於加強信息合作規範執行與協助執行的通知》), without the permission of relevant court, Shares frozen by judicial authorities shall not be transferred and the holders of such Shares shall not pledge or create any encumbrances on such Shares and no dividends for such Shares shall be distributed to the relevant Shareholder. The PRC Legal Advisors are of the view that the above freezing of Shares shall not have any material adverse effect on the shareholding structure and continued operations of the Company and shall not result in any material legal impediment under the relevant PRC laws and regulations in relation to the Listing.

(4) Except the subsidiaries set forth in the chart, the Company also solely sponsored Shanghai Transwarp Big Data Industry Technology Development Promotion Center (上海星環大數據產業技術發展促進中心), a non-profit institution.

Shareholding and Corporate Structure Immediately Following the Global Offering

The following chart sets forth the shareholding and corporate structure of our Group immediately following the Global Offering, assuming that no additional Shares are issued under the 2023 Share Incentive Scheme and that no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date:



Notes:

(1) to (4): Please refer to the corresponding notes to the corporate structure of the Company under "— Our Shareholding and Corporate Structure — Shareholding and Corporate Structure Immediately Before the Global Offering" for more information.

OVERVIEW

Who Are We?

We are a leading AI infrastructure software provider in China. We generate revenue primarily by selling AI and big data infrastructure software products and related services to enterprise and government customers. Through deep integration of AI, big data, and cloud technologies, we enable enterprises to efficiently build AI infrastructure software that drives intelligent transformation and business model innovation across industries. In today's environment, marked by exponential data growth, mounting risks of technological bottlenecks, and urgent demand for enterprise-level digital and intelligent upgrades, building secure, high-performance, domestically developed AI and data infrastructure software has become a strategic imperative at the national, industrial, and enterprise levels. Our Company was founded to meet this demand and to establish a secure, self-reliant data infrastructure supporting technological innovation.

According to Frost & Sullivan:

- In terms of revenue, we were the fifth largest AI infrastructure software provider in China with a market share of 2.7% in 2025.
- We were the world's first database company to pass TPC-DS testing and official audit, demonstrating that our distributed architecture-based foundational software has reached an industry-leading level in large-scale data computation and analytics.
- We were the first Chinese company to be included in Gartner's Magic Quadrant for Data Warehouse and Data Management Solutions, indicating that our forerunning position is recognized by internationally reputable organizations.

We are one of the earliest companies in China to focus on the development of AI and big data infrastructure software, and we have established significant first-mover advantages and deep technical capabilities. We provide enterprise-grade AI infrastructure software and services that cover the full data lifecycle, from integration, storage, and governance to modeling, analytics, mining, and circulation. Through years of in-house R&D, we have built a new-generation AI infrastructure software matrix comprising our big data and cloud foundation platforms (TDH and TDC), distributed databases (ArgoDB and KunDB), data development and governance tools (TDS), AI platforms for LLM and machine learning operations (LLMOps and MLOps), and a knowledge platform (TKH). Together, these products deliver end-to-end solutions from data to knowledge and from model to application, helping enterprises across industries accelerate intelligent transformation and rebuild their competitive advantages.

As of March 31, 2026, our products and solutions had been deployed across more than ten industries, including finance, government, energy, healthcare, transportation, and manufacturing, serving over 1,800 customers, including 105 companies listed in the Fortune China 500. From 2023 to the first quarter of 2026, revenue from repeat purchases by existing customers accounted for an average of over 70% of our total revenue, reflecting the loyalty and stickiness of our customer base.

Leveraging the vast growth potential of global AI infrastructure software market, we intend to actively expand our presence in overseas markets. Our software products are mostly standardized and can be deployed across a wide range of industries and geographies, enabling us to address diverse customer needs globally. We have established subsidiaries in Hong Kong, Singapore and Canada to serve as strategic hubs for our international operations. Benefiting from our technological advantages and growing brand recognition, we have successfully sold products, such as TDH, TKH and Sophon, to customers in Singapore and the Middle East, and are currently conducting testing for multiple other products that are ready to be implemented in various jurisdictions. We believe these initiatives will enable us to capture new market opportunities, diversify our revenue sources and enhance our competitiveness in the global AI infrastructure software market.

Our Market Opportunity

With the rapid evolution of technologies such as the Internet, Internet of Things (IoT), 5G, and generative AI, the global volume of data is growing exponentially. This growth is accompanied by an increasing need for real-time and near real-time data processing and a marked improvement in the utilization of semi-structured and unstructured data, further intensifying demand for scalable data storage and computing infrastructure. However, as enterprises advance the deployment of AI at scale and pursue digital-intelligent transformation, they face a range of persistent challenges. These challenges not only limit the value realization of enterprise data assets but also constrain the effectiveness of AI implementation, often resulting in significant investments with suboptimal returns. Specifically:

- ***Model Compatibility Challenges***: Enterprises face difficulties in efficiently selecting, tuning, and orchestrating diverse AI models due to wide variations in model capabilities and parameters, leading to long development cycles and high implementation costs.

- ***Data and Corpus Challenges***: Many enterprises suffer from fragmented data assets, siloed systems, and overreliance on employee experience. Data is often stored in disparate formats across systems, increasing operations and maintenance costs and reducing development efficiency. Additionally, data quality is often poor, security is weak, and there is a lack of robust tools for data development and governance. Timeliness and accessibility are further hindered by barriers to data sharing and circulation.

- ***Application Development Challenges***: Enterprises are deploying hundreds or thousands of AI applications, each with high single-point development costs that exceed typical IT budgets. Frequent iteration is required, yet traditional waterfall-style development methods are ill-suited to AI's dynamic demands.

To overcome these challenges, enterprises urgently require infrastructure that can unify the management of AI and data. Such infrastructure must support the efficient acquisition, storage, governance, and analysis of multi-source, multi-type data across diverse scenarios, transforming raw data into high-quality data assets. These data assets can then be used to fine-tune or train custom models and build intelligent agents or applications, enabling automated conversion of data into business outcomes. As a leading AI infrastructure software provider, we are deeply committed to innovation in data intelligence technologies. We offer a comprehensive toolchain covering corpus processing, model training, knowledge base construction, application development, and agent creation, empowering enterprises to build scalable, secure, and cost-effective AI infrastructure, reduce AI deployment costs, enhance application quality, and ensure security and controllability.

AI infrastructure software represents a significant and fast-growing market opportunity. According to Frost & Sullivan, the size of China's AI infrastructure software market, measured by revenue, increased from RMB7.5 billion in 2021 to RMB16.5 billion in 2025, representing a CAGR of 21.8% from 2021 to 2025. The market is expected to further expand to RMB55.8 billion in 2030, with a projected CAGR of 28.1% from 2026 to 2030. The overseas market size of AI software, in terms of revenue, has grown from USD6.4 billion in 2021 to USD12.9 billion in 2025, representing a CAGR of 19.2% from 2021 to 2025. Looking forward, the market size of overseas AI software, in terms of revenue, is expected to reach USD38.9 billion in 2030 with a CAGR of 25.5% from 2026 to 2030.

Our Business Lines and Business Model

We operate a product-centric business model centered on the commercialization of our proprietary, self-developed software platforms. Our business is structured into three primary business lines: (i) AI and big data infrastructure software and related technical services, (ii) consulting services, and (iii) other business. See "Business — Our Business Lines and Business Model."

Our Core Technologies

Our core technologies span seven foundational areas, including container-based data cloud technology, distributed computing technology, unified multi-model data processing technology, distributed database technology, AI and machine learning operation technology, knowledge engineering and knowledge graph technology, and big data development technology. These capabilities are integrated into a cohesive two-layer architecture comprising the infrastructure (IaaS) and platform (PaaS) layers. At the IaaS layer, we enable scalable and elastic resource scheduling through container-based cloud infrastructure. The PaaS layer provides robust capabilities for distributed computing, real-time data processing, and model lifecycle management.

This unified architecture underpins our entire product suite, enabling consistent performance, seamless interoperability, and modular deployment across a wide range of enterprise AI use cases. It supports high-throughput data ingestion and analysis, real-time AI model training and inference, and domain-specific knowledge extraction, allowing us to deliver secure, scalable, and intelligent infrastructure for enterprise digital transformation. For further details, see "— Our Core Technologies."

Our ESG Commitment

We are committed to integrating ESG principles into our business operations and corporate strategy to support sustainable development. Leveraging our technological capabilities, we promote green development and contribute to China's dual-carbon goals by providing intelligent analytics tools that support carbon management and energy optimization, including applications in transportation, meteorological forecasting and renewable energy. We emphasize intellectual property protection through continuous investment in independent research and development and strengthening of our IP management systems. We also focus on enhancing corporate governance and fostering employee development through comprehensive training and talent development initiatives aligned with our strategic objectives. In addition, we seek to create positive social impact by participating in public welfare activities, supporting employment initiatives and contributing to the development of inclusive and sustainable communities.

COMPETITIVE STRENGTHS

A Market Leader in China's AI Infrastructure Software Sector

We are a leading player in China's AI infrastructure software market. According to Frost & Sullivan, we ranked fifth by revenue in China's AI infrastructure software market in 2025.

We are also one of the earliest companies in China to focus on independent R&D in AI and big data infrastructure software. Our proprietary big data platform and distributed analytical database have reached industry-leading levels of performance. Our big data platform, TDH, was the world's first product to pass the TPC-DS benchmark test with official audit, demonstrating our distributed architecture's advanced capabilities in large-scale data computation and analytics.

We have also achieved a number of industry firsts:

- In 2016, we became the first Chinese company included in Gartner's Magic Quadrant for Data Warehouse and Data Management Solutions, and were positioned ahead of U.S. vendors such as Cloudera and Hortonworks on the "vision" axis.

- In 2018, TDH V5.1 passed the official TPC-DS benchmark audit, becoming the first product globally to do so in full.

- In 2019, ArgoDB V1.2.1 became the fourth database worldwide to pass the TPC-DS audit.

- In 2022, our AI platform Sophon Discover V3.0.0 became the first product to pass the TPCx-AI benchmark test at the SF3,000 level (the highest level then tested).

- In 2023, TDH V9.1 passed the TPCx-BB SF3,000 benchmark test and achieved the top global performance at that time.

We are also actively shaping industry standards. As of the Latest Practicable Date, we had contributed to more than 60 industry standards and technical specifications, including 13 at the national level. For example, in April 2025, we participated in the publication of the *Standardization Research Report on Industrial LLMs for Intelligent Manufacturing* by the China Electronics Standardization Institute. We also contributed to key standards including *Capability Requirements for LLM Application Delivery Providers*, *Technical and Application Evaluation Methods for Large Pre-trained Models in the Financial Industry*, *Technical Requirements for RAG (Retrieval-Augmented Generation)*, *Data Lake Platform Technical Requirements*, and *Technical Requirements for Multimodal, Search, Vector, and Spatio-temporal Databases*, among others.

Our market position has been further recognized through numerous awards and rankings. We were named among the "Forbes China Top 50 AI Technology Companies 2024" and were listed in IDC's reports on "Top 100 Digital Government Providers," "Mainstream Vendors and Best Practice Cases in the Data Space Market," "AI Governance Ecosystem," and "Trusted Data Space Solution Provider," among others. Our Sophon LLMOps platform was ranked among the top ten AI Fintech solutions in China by The Asian Banker. Six of our database products were included in the 2024 *China Database Industry Landscape* published by the China Academy of Information and Communications Technology (CAICT), and we were also featured in CAICT's *Data Intelligence Industry Landscape 2024* and *Data Governance Industry Landscape 3.0* as a leading provider of integrated platforms, cross-industry solutions, and independent services. We were also the first to complete the foundational capability testing for multimodal databases under CAICT's "Trusted Database" certification program.

Robust In-House R&D and Technical Leadership Driving Domestic Substitution

We have built a strong foundation of independent R&D and innovation that positions us at the forefront of China's AI infrastructure software industry. All of our core products are self-developed and reengineered across the storage, computing, compiler, and resource management layers, enabling replacement of foreign incumbent solutions. We also make limited use of open-source software in some components of our products, mainly to improve development efficiency and ensure compatibility with common industry standards. These elements do not affect the proprietary architecture of our core products. The use of open-source software is a common industry practice, and we have established internal procedures to monitor such use and manage potential risks. For further details on related risks, see "Risk Factors — Risks Relating to Our Operations — Our use of open-source software could impose limitations on our business operations, and certain software we use leverages open-source codes, which, under certain circumstances, may lead to unintended consequences and, therefore, could materially and adversely affect our business, results of operations and financial condition." Since inception, we have gradually decoupled our big data platform from overseas open-source frameworks, with full-stack innovation spanning distributed SQL compilers, execution engines, and scheduling systems. According to source code audit reports by the Fifth Institute of Electronics under the Ministry of Industry and Information Technology, our TDH V8.0 platform achieved a code self-sufficiency rate of over 74%, while ArgoDB V2.0 exceeded 90%.

We adhere to a forward-looking R&D strategy focused on distributed architecture, database systems, compiler technology, and data cloud platforms. Our innovations include relational and stream processing engines, containerized cloud deployment, multi-model data fusion, and real-time analytics, with many reaching industry-leading performance. We were ranked fourth overall in IDC's *2020 China Big Data Management Platform Vendor Assessment* and featured as a representative vendor across multiple technologies in Gartner's *2024 China Data, Analytics, and AI Hype Cycle*. In 2024, our joint project with Fudan University won second prize in the Wu Wenjun AI Science and Technology Awards, further validating our position at the forefront of foundational AI and data research.

Our AI-Ready Data Platform supports 11 mainstream data models, including vector, graph, document, full-text, and time-series, and enables seamless conversion of unstructured data into usable structured formats. It offers unified interfaces, compute, storage, and resource management, providing high-performance data governance, real-time insight, and domain knowledge extraction across diverse AI scenarios. The platform is designed to mask data heterogeneity at the application layer, making it highly adaptable to various LLM deployment needs. We were named by Gartner as one of the vendors with the broadest database portfolios for two consecutive years and became the first domestic vendor to pass CAICT's evaluation for multimodal database products. Our Sophon LLMOps platform further supports full-process AI operations, including compute, model, data, and toolchain management, and powers enterprise-grade intelligent applications such as customer service assistants, compliance advisors, and decision-support systems. In June 2025, Sophon LLMOps was included in CAICT's AI Agent Industry Landscape.

We are deeply engaged in China's homegrown technology ecosystem. Our products are fully adapted to domestic hardware and software environments, supporting mainstream domestic OSs, processors, and middleware, and enabling stable operation under all-native configurations. Our architecture also supports mixed deployment of heterogeneous compute resources in a single cluster and facilitates high-efficiency management of domestic chipsets. We have successfully replaced foreign solutions such as traditional relational databases, search engines, big data platforms, and analytics tools in mission-critical customer systems. KunDB was shortlisted in the 2024 central government procurement list for distributed transactional databases. Our participation in national and municipal flagship projects, including those under the MIIT and Shanghai Municipal Government, further underscores our leadership in China's foundational software localization push. As of March 31, 2026, over one-third of our employees were dedicated to R&D, with approximately 60% holding a master's degree or higher. As of the Latest Practicable Date, we had over 180 patents registered with the National Intellectual Property Administration of the PRC and over 100 pending patent applications in the PRC. We also had over ten registered patent overseas spanning Europe, Singapore, Japan and Canada. Our sustained investment in R&D continues to drive the evolution of our core technologies and the rapid iteration of our product portfolio.

Comprehensive Product Portfolio and Full-Lifecycle Service Capabilities Enabling End-to-End AI and Data Transformation

We offer a next-generation digital foundation that enables customers to move seamlessly from AI infrastructure deployment to the development and implementation of AI and big data applications. Our full-stack product portfolio spans the entire data lifecycle, from integration, storage, and governance to modeling, analysis, mining, and circulation, and includes foundational platforms (TDH and TDC), distributed databases (ArgoDB and KunDB), data development and governance tools (TDS), AI operation platforms for LLM and machine learning (Sophon LLMOps), and our knowledge platform (TKH). Together, these products form an integrated AI infrastructure software matrix supported by technical services that deliver full-chain solutions from data to knowledge and from model to application. In 2022, several of our products were recognized in Gartner's *Market Guide for Database Management Systems in China*, where our offerings covered 7 out of the 8 identified database categories, making us one of only four vendors with such breadth, including multi-model database solutions. Compared to vendors offering only isolated modules, our unified, modular, and highly customizable architecture allows us to flexibly meet diverse customer needs, maximize lifecycle value, and reduce software and hardware complexity across the stack, achieving both cost savings and performance gains.

Our strong technical service capabilities further enhance customer outcomes. We offer comprehensive, full-lifecycle support, from deployment, migration, and system optimization to consulting, backup, and after-sales maintenance, forming deep partnerships with clients and integrators across sectors. Our inclusion in IDC's *Top 100 Digital Government Providers* and *Best Practice Cases in Industrial Data Management and Analytics Services*, as well as in regional directories for leading manufacturing and industrial software solutions in Shanghai and Jiangsu, reflects our maturity and credibility in service delivery. We also obtained the "Quantitative Management Level" (Level 4 for vendors) certificate under China's national Data Management Capability Maturity Model (DCMM) in 2023, further demonstrating the depth of our service capabilities.

We continue to iterate and upgrade our products, services and solutions through our "AI × Data" strategy, integrating AI with data processing, governance, and analytics to provide intelligent, end-to-end enterprise solutions. This approach empowers customers to evolve from foundational data management to advanced AI applications while creating recurring opportunities for upselling and cross-selling, solidifying our long-term value and engagement with customers across industries.

Diverse, Loyal Customer Base with Broad Industry Penetration and Strong Replicability

We have built a large, diversified, and rapidly expanding customer base spanning a wide range of verticals. As of March 31, 2026, we had served over 1,800 customers across more than ten core sectors of the national economy, including finance, government, energy, healthcare, transportation, and manufacturing. Our customers are primarily industry leaders with recurring, high-value technology needs, forming a solid foundation for sustainable demand growth.

Our high degree of product standardization and modular system architecture gives us strong cross-industry replicability. As of March 31, 2026, we had served over 300 financial institutions, including 7 joint-stock banks (including branches), approximately 60 city commercial banks, more than 40 securities firms, and over 20 insurance companies. We have deployed deep use cases across the financial sector, including real-time graph analytics, anti-fraud, anti-money laundering, guarantee network tracing, knowledge graph construction, and intelligent risk control. In the government sector, our clients include provincial and municipal big data centers, customs authorities, and tax agencies, where we support their digital transformation efforts to improve operational efficiency and reduce costs. By cultivating flagship clients in high-barrier industries like finance and government, we have developed high-value reference cases, a strong brand reputation, and deep sector insights. We transform shared technical capabilities into reusable scenario components to support full-lifecycle enterprise needs, and we adopt tailored go-to-market and customer engagement strategies based on the digital maturity of each sector, enabling scalable expansion across industries.

Our products have earned strong recognition from leading clients and industry associations. For example, our LLM management platform project for China Merchants Securities was named a 2024 "AI Pioneer Case" by the China AI Industry Development Alliance. Together with Orient Futures, China Life, and the National PV and Energy Storage Pilot Platform (Daqing base), we received CAICT's "Stellar Case" recognitions in the domains of intelligent data infrastructure and database innovation. Our project with AVIC Elevator was named a best practice in IDC's industrial data management and analytics services category. In addition, a joint submission with Nanjing University of Posts and Telecommunications, on multi-source information fusion using data- and model-driven technology, received third prize in the AI Application Innovation Awards issued by the Jiangsu AI Society.

Our strong product value and proactive customer success strategies enable us to build highly sticky customer relationships. As our AI and big data infrastructure software functions as a core foundation for enterprise information systems, it is tightly integrated with and directly impacts the scalability and stability of upper-layer applications. The high switching costs associated with infrastructure software make customers unlikely to replace deployed products. In addition, as customer data volumes and AI application scenarios grow, they often require additional capacity or new product types, leading to recurring demand and expanded account value. From 2023 to the first quarter of 2026, revenue from repeat purchases by existing customers accounted for an average of over 70% of our total revenue, reflecting our strong customer retention and sustained growth momentum.

Vibrant Ecosystem Enabling Scalable Growth and Long-Term Sustainability

Since our founding, we have built a dynamic ecosystem around our self-developed AI and big data infrastructure platforms, comprising system integrators ("**SIs**"), independent software vendors ("**ISVs**"), software engineers, and academic institutions. This ecosystem allows our solutions to reach a broader base of end customers through both our internal sales team and a wide network of partners. We are committed to enabling ecosystem participants to realize the full value of our infrastructure software, fostering synergy and mutual success across the value chain.

Our partner network includes hundreds of project collaborators, and we continue to expand new partnerships. We actively work with CPU, GPU, OS, server, and hardware vendors, including many leading domestic technology companies, to ensure deep product integration and performance optimization. These collaborations contribute to the broader national push for domestic technology substitution in critical infrastructure. We engage with ISVs and other ecosystem players through structured technical onboarding, compatibility certification, and commercial policy alignment, thereby driving adoption across a range of industries.

In parallel, we have developed a mature talent ecosystem to support platform usage and industry adoption. We provide customers and partners with technical enablement and implementation support, accelerating digital and intelligent transformation across sectors. Our training and knowledge-sharing programs lower the entry barrier for platform usage, empowering software engineers and business users without prior experience in AI or big data to quickly adopt and deploy solutions. This not only strengthens customer stickiness but also amplifies our brand and product reach through grassroots advocacy.

We also actively promote academia-industry collaboration to cultivate a sustainable innovation ecosystem. We have co-established AI and big data laboratories and technology innovation centers in partnership with top universities and research institutes, including Peking University, Nanjing University, Fudan University, Singapore Institute of Technology, and Intel. These collaborations enhance our product influence, expand our customer base, and ensure we remain aligned with the latest advances in core technologies through regular exchange with leading researchers and practitioners. Our longstanding commitment to ecosystem development has helped nurture a high-quality developer and partner community, reinforced our brand presence, and contributed to the healthy and sustainable growth of China's AI and big data infrastructure industry.

Visionary and Deeply Experienced Management Team

We are led by a visionary and deeply experienced management team with extensive expertise in AI, big data, and enterprise infrastructure software. Our founder, Chairman, and General Manager, Mr. SUN Yuanhao, is a recognized industry leader with over 20 years of experience. He combines deep technical acumen with strategic foresight and commercial leadership. Under his direction, we have built a comprehensive product matrix covering the full data lifecycle and broken through international vendor dominance across core infrastructure layers. Prior to founding the Company, Mr. SUN Yuanhao held a senior technical role at Intel Asia Pacific R&D Co., Ltd., where he was instrumental in advancing big data implementation in China. His leadership has earned him numerous honors, including recognition as a National Model Worker in China's industrial and information system, one of "China's Top 30 AI Entrepreneurs in 2020," and multiple awards from Shanghai for innovation and public leadership.

Our senior executive team combines global perspective with strong local execution capabilities, supported by extensive experience in leading technology companies and deep expertise in distributed computing, AI infrastructure, enterprise software engineering and platform commercialization. Our R&D leadership team, with over a decade of experience in advancing AI and big data infrastructure technologies, drives continuous innovation and product development while cultivating technical talent through mentorship and knowledge sharing, enhancing our responsiveness and delivery capabilities. We have also established a comprehensive talent management system covering recruitment, development, evaluation and retention, with a focus on aligning employee growth with corporate objectives, which supports organizational stability and strengthens our execution capabilities.

DEVELOPMENT STRATEGIES

We intend to pursue the following strategies to further advance our business, with the goal of achieving comprehensive technology upgrades, product expansion, and global deployment, thereby unlocking multiple growth trajectories.

Drive Full-Stack Technology Upgrades Through "AI × Data" to Strengthen Our Leadership in AI Infrastructure Software Market

As a leader in China's AI infrastructure software market, we will continue to pursue full-stack proprietary development as our core strategy, leveraging the combined power of AI and data ("AI × Data") to advance our entire technology stack. We aim to build a high-performance infrastructure software system covering the full data architecture, from foundational infrastructure to intelligent applications, with globally competitive performance benchmarks that serve as a strong technical foundation for our international expansion.

We plan to implement a comprehensive "AI × Data" architecture upgrade across three key layers. At the infrastructure layer, we will continue developing a scalable cloud-native foundation that enables intelligent scheduling and container-based orchestration for cross-cluster and cross-regional resource management, improving project delivery efficiency and optimizing computing costs. At the data platform layer, we will build unified and high-performance multimodal storage and retrieval capabilities, supporting formats such as documents, audio, and video, to break down traditional data silos and meet real-time, high-concurrency processing requirements. At the AI application layer, we will continue advancing AI-enablement tools, including LLM training and inference optimization, security and quality assessment systems, and intelligent agent collaboration, fine-tuning, and management frameworks. These tools will empower enterprises to efficiently build and deploy AI applications across corpus management, model training, agent construction, and system integration.

To empower global growth, we will invest in the localization and scalability of our technology architecture. We plan to start with deep localization, focusing on seamless adaptation to language, UI, and local ecosystems, to lower market entry barriers. Building on that, we will offer flexible, customized solutions tailored to region-specific needs, balancing scalability with personalization. In parallel, we will pursue a full-stack SaaS transformation by developing distributed service capabilities and hybrid architectures to enable a transition from on-premise deployment to agile cloud delivery. We also intend to deepen our models' contextual understanding, incorporating localized knowledge and collaborative APIs to align AI capabilities with regional cultural and business scenarios. Through the coordinated advancement of these four dimensions, we aim to build a globally unified yet locally adaptive system to support sustainable international expansion. We will also apply advanced technologies, including AI, to improve internal operational efficiency. By integrating AI-assisted tools into R&D, product testing, and technical exploration workflows, we aim to shorten development cycles, accelerate product iteration, reduce maintenance costs, and build an intelligent, digitalized management system that supports innovation at scale.

Expand and Enrich Product and Solution Offerings to Drive Market Share Growth

We plan to continue investing in the expansion and refinement of our product portfolio and solution capabilities to strengthen our leadership in AI infrastructure software. Our goal is to deliver a unified platform that tightly integrates AI and big data capabilities, allowing users to seamlessly execute complex data processing, AI development, and application construction without being burdened by underlying technical complexity, thus breaking down technical silos and enabling end-to-end synergy across AI and data workflows. Guided by customer needs, we will focus on deepening product performance, extending functional boundaries, and evolving industry-specific solutions. At the same time, we will enhance global adaptability, sector-specific customization, and ecosystem integration to further enrich our offerings and consolidate our competitive position.

We aim to elevate product performance from efficient analytics to intelligent optimization. Our objective is to drive key product metrics to meet or exceed global benchmarks and support increasingly complex customer scenarios. By moving embedding AI capabilities into our tools, particularly in data development and governance, we will significantly improve automation and intelligence, better meeting global enterprise demands for real-time responsiveness, reliability, and intelligent decision-making.

We are also advancing a strategic shift from standalone product modules to a unified, platform-based architecture. On one hand, we are enhancing foundational capabilities in distributed databases and big data platforms to support real-time processing of tens of billions of data records, while ensuring broad compatibility with mainstream international hardware ecosystems to reduce migration costs. On the other hand, we are enriching our AI toolchain with capabilities such as full-lifecycle LLM management platforms that empower enterprises to build custom AI applications. We are also developing user-friendly tools, such as natural language interfaces, that enable non-technical users to conduct self-service analytics, balancing enterprise-grade security with ease of use.

To better serve global customers, we will adapt our proven domestic solutions into modular, standardized frameworks that are suitable for cross-border deployment. For example, we plan to restructure mature offerings in sectors such as finance and government for flexible application in international markets. In parallel, we will strengthen collaboration with global technology partners through open ecosystems, offering comprehensive lifecycle support, from hardware compatibility to scenario-specific deployment, to ensure efficient implementation of our solutions across diverse regional environments.

Expand Customer Base, Deepen Strategic Partnerships, and Strengthen Market Presence

We plan to accelerate growth by building a self-reinforcing flywheel of customer collaboration, ecosystem integration, and brand elevation. Through deeper collaboration with key clients, coordinated go-to-market efforts with ecosystem partners, and systematic brand-building initiatives, we aim to increase our penetration across industries and establish long-term momentum for global expansion.

On the customer front, we will pursue strategic co-creation with clients in core verticals such as technology, finance, government, and energy. By closely aligning with client needs and jointly exploring application scenarios, we will continue to expand our footprint within key accounts and unlock mutual growth. Drawing from real-world deployments, we will refine and optimize our full-lifecycle product system, including our integrated data platforms, distributed databases, and toolchains for LLM development, enhancing our ability to help clients improve data-driven decision-making and operational productivity.

On the ecosystem side, we will continue to implement a "platform + ecosystem" model to build a comprehensive collaborative network. This includes developing cross-industry joint solutions in partnership with software and hardware vendors and SIs. For example, we will deepen collaboration with leading hardware companies in areas such as AI compute adaptation, to support technical implementation in financial and manufacturing use cases. We also plan to work closely with professional service partners to build standardized delivery frameworks that significantly enhance service responsiveness. In parallel, we will strengthen cooperation with top universities and research institutions in China and globally by launching joint labs, co-developing academic programs, and conducting collaborative R&D. These efforts are expected to support the cultivation of industry-ready talent and further strengthen our technological capabilities and industry influence.

On the brand side, we will systematically enhance our presence through three dimensions: technology leadership, customer engagement, and market communication. Technologically, we will reinforce our leadership through participation in global industry forums and the release of authoritative benchmark results. On the customer side, we will co-develop and showcase reference cases with high-value clients to establish a leading image in domestic software replacement and intelligent transformation. In marketing, we plan to launch city tours, publicize major LLM-related project wins, and regularly report on international business progress, highlighting our capabilities in commercializing frontier technologies. Through joint ecosystem initiatives and ESG communications, we aim to shift brand-building from one-way messaging to multi-stakeholder engagement, cultivating sustained global recognition of our value proposition.

Expand Global Footprint and Increase International Market Penetration

We are firmly committed to our internationalization strategy and will continue to expand our presence in overseas markets. To this end, we plan to systematically enhance our global market penetration by deepening channel coverage and strengthening localized operational capabilities. We will further scale a globally coordinated sales system combining direct sales with business partnerships. Our focus will be on key strategic regions, including Southeast Asia, and the Middle East. We intend to deepen alliances with reputable local partners to reach core industry clients across geographies. At the same time, we will adopt a cloud-based subscription model to lower adoption barriers for international customers and accelerate global deployment of our products.

To support this growth, we will enhance our localization capabilities by establishing in-market technical support and delivery teams, and by improving language adaptation and compliance readiness. We will tailor offerings to meet the data protection and cybersecurity regulations of different jurisdictions, while also localizing product interfaces, documentation, and training materials to ensure responsive and efficient customer support in each market.

Leveraging the vast growth potential of global AI infrastructure software market, we intend to actively expand our presence in overseas markets. Our software products are mostly standardized and can be deployed across a wide range of industries and geographies, enabling us to address diverse customer needs globally. We have established subsidiaries in Hong Kong, Singapore and Canada to serve as strategic hubs for our international operations. Benefiting from our technological advantages and growing brand recognition, we have successfully sold products, such as TDH, TKH and Sophon, to customers in Singapore and the Middle East, and are currently conducting testing for multiple other products that are ready to be implemented in various jurisdictions. We believe these initiatives will enable us to capture new market opportunities, diversify our revenue sources and enhance our competitiveness in the global AI infrastructure software market.

Pursue Selective Strategic Investments and Acquisitions to Strengthen Market Position

As a complement to our organic growth strategy, we plan to pursue selective strategic investments and acquisitions to further strengthen our market position and accelerate ecosystem development. We will adopt a disciplined and opportunity-driven approach, targeting businesses that offer strong synergies with our existing capabilities, particularly those that can enhance our product and solution offerings, broaden our vertical and geographic reach, or deepen our technological and R&D strengths. These initiatives will help reinforce our competitive position, expand our innovation pipeline, and support long-term growth. As of the Latest Practicable Date, we had not identified or committed to any specific investment or acquisition targets, but we will continue to explore opportunities aligned with our strategic objectives.

OUR BUSINESS LINES AND BUSINESS MODEL

We operate a product-centric business model centered on the commercialization of our proprietary, self-developed software platforms. Our business is structured into three primary business lines: (i) AI and big data infrastructure software and related technical services, (ii) consulting services, and (iii) other business.

AI and Big Data Infrastructure Software and Related Technical Services

Our AI and big data infrastructure software and related technical services comprise three sub-segments: infrastructure software, infrastructure software and related technical services, and technical services, all of which are built on our proprietary technology stack and serve as the foundation of our customers' data and AI platforms.

Products and Services

Our infrastructure software consists of proprietary software products that support enterprise-grade data storage, management, analytics and AI workloads. These products are primarily standardized and require only limited customization, which generally involves user-interface adjustments or integration with a customer's existing database environment, such as connecting to legacy database versions that require tailored configuration.

Our infrastructure software and related technical services sub-segment involves customers purchasing our proprietary software together with related technical services. The technical services provided under this sub-segment are the same as those provided under the "technical services" sub-segment described below.

Our technical services consist of: (i) maintenance services, which include software upgrades, bug fixes, remote technical support and other ongoing maintenance; and (ii) other technical services, which include deployment, configuration, integration, advanced consulting and troubleshooting. All technical services are tied to our proprietary software products.

Deployment Period

The deployment period varies depending on project complexity and customer requirements. Standardized software deployments typically require about one week, while integrated projects involving both software and technical services may require several weeks to several months.

Charging Model

We generate revenue through (i) a one-time perpetual license for infrastructure software; (ii) a combination of software license fees and service fees for infrastructure software and related technical services; and (iii) service fees for technical services, which consist of recurring fees for maintenance services and project-based fees for other technical services.

Fund Flow

Payment terms vary across sub-segments but generally follow a staged structure aligned with project progress.

For infrastructure software, customers typically make an initial payment of 10%-30% of the contract amount upon signing. The majority of the balance is settled in a single payment upon installation and acceptance, and the remaining 5%-15% is paid after the one-year complimentary maintenance period.

For infrastructure software and related technical services, payment follows the respective fund-flow arrangements for software and for technical services.

For technical services, payment arrangements differ between maintenance services and other technical services. For maintenance services, standard contracts are typically paid in full upon signing, while enhanced maintenance contracts with defined acceptance milestones are paid periodically, such as 25% quarterly or 50% semi-annually following acceptance. For other technical services, customers generally pay 15%-30% upon contract signing, with the remaining balance linked to project milestones. Typically, around 30% is paid upon initial acceptance and the remainder upon final acceptance. For larger contracts, milestone payments follow the SOW, with 15%-30% payable upon signing, 20%-30% at two intermediate stages, and the balance upon final acceptance.

Pricing Policy

Pricing for this business line follows the principles below.

For infrastructure software, pricing is primarily determined by three factors: (i) data volume and deployment scale (cluster size), which jointly determine the number of server nodes required, with each node corresponding to one software license and larger clusters or data volumes resulting in higher license counts; (ii) processing requirements, which depend on the number and complexity of computing tasks, with projects involving thousands of concurrent jobs priced higher than those with lighter workloads; and (iii) license scope, reflecting the range of products and functionalities purchased, for example, whether the customer licenses only TDH or a combination of TDH, ArgoDB, KunDB or other proprietary products.

For infrastructure software and related technical services, pricing follows the respective pricing methods for software licenses and technical services.

For technical services, pricing reflects service type and complexity. Maintenance services are typically priced at 18%-28% of the initial license fee after the one-year complimentary period, while other technical services are priced based on project size, technical complexity, service duration and deployment of technical personnel.

Customer Base

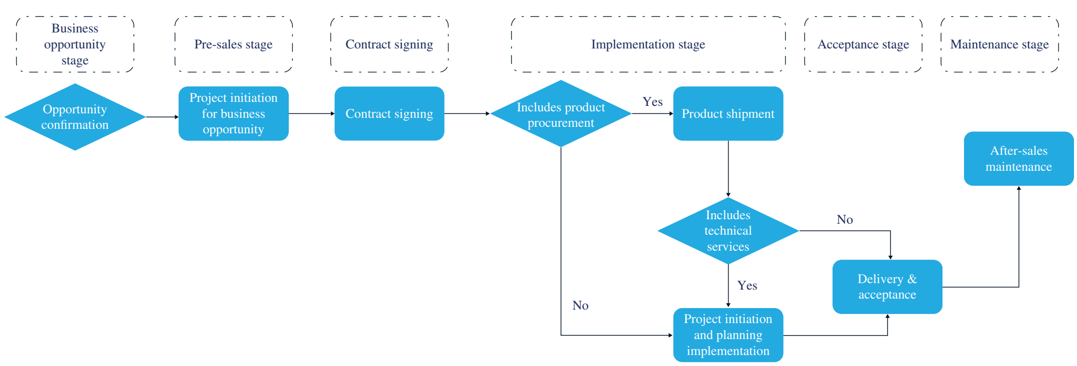
We primarily serve large enterprises and government institutions across a broad range of industries, including finance, energy, transportation, telecommunications, manufacturing and public administration. Our customers typically operate large-scale, data-intensive systems and require high-performance, scalable and secure infrastructure software to support mission-critical workloads. Within the finance sector, our users include major exchanges, commercial banks and securities firms. In the government sector, our customers include national and municipal authorities responsible for public services, data governance and industry regulation. In the energy and transportation sectors, our customers comprise leading state-owned enterprises and operators of nationwide logistics, grid and transport networks. We also serve sizable manufacturers, telecommunications operators and diversified conglomerates that require enterprise-grade data platforms and AI infrastructure. The composition of our customer base is generally consistent across the three sub-segments of this business line.

Product Offering Model

We offer our software and technical services either on a standalone basis or together, depending on customer needs. Most new customers purchase multiple software products at the initial stage to support different functions, while a smaller portion begins with only one product. Existing customers typically expand deployment over time as their business scales, either by purchasing additional licenses for existing products or adopting new products within our portfolio. In general, project-based technical services are mainly provided under our comprehensive infrastructure software and comprehensive software and services, while standalone technical services primarily consist of recurring maintenance services. During the Track Record Period, approximately 37.3% of our infrastructure software customers subsequently renewed or purchased maintenance services, reflecting the recurring nature of our standalone technical services offerings.

Business Flow

The business flow of this line of business is illustrated below:



In this business line, customers typically commence engagement through formal procurement procedures or direct enquiries. After contract execution, we deliver the licensed software and, where applicable, accompanying related technical services. Depending on the customer's IT capabilities, installation and initial configuration are performed either by our technical personnel or by qualified system integrators or independent software vendors under the customer's arrangement. For more complex enterprise or government projects, we provide implementation support such as environment setup, database connection and system testing to ensure compatibility and stable operation.

During the project execution phase, we oversee the deployment process and provide technical services such as configuration, integration and acceptance support. Certain routine or standardized tasks may be undertaken by outsourced personnel under our supervision to supplement capacity and enhance efficiency. After deployment, we continue to provide maintenance services, including software upgrades, bug fixes and remote technical support, pursuant to customer contracts. Customers conduct acceptance at agreed milestones, and payments are received in stages in accordance with the applicable fund-flow arrangements described above.

Project and Payment Delays

During the Track Record Period and up to the Latest Practicable Date, we experienced certain project and payment delays in the ordinary course of business. These delays were primarily caused by delays in customers' procurement, tendering, inspection and acceptance procedures resulting from a more cautious procurement environment among government or state-owned customers. Facing slower economic conditions and tightened fiscal budgets in 2024, many such customers extended their internal approval procedures, postponed project kick-off and slowed acceptance progress. In some cases, software deployment was also delayed because customers' related hardware or IT environments were not ready on time, which could result from (i) the impact of pricing windows due to fluctuations in hardware equipment prices, (ii) their budget approval delays that prevented the timely procurement of hardware or IT environments, or (iii) their staffing shortages and personnel turnover that delayed the setup of IT environments. Such delays were generally attributable to customers' internal processes or external macroeconomic conditions, rather than delays in our own implementation or delivery.

These delays affected the timing of revenue recognition and cash collection, and contributed to our revenue decline in 2024. However, they did not have any material adverse impact on our business operations or financial condition during the Track Record Period. To the best knowledge of our Directors, among the contracts newly entered in 2024, 49 projects experienced delays, representing approximately 7.0% of the total number of contracts; in terms of the contract value, the delayed projects accounted for approximately 30.1% of the total contract value newly signed in 2024. Among the 49 delayed projects identified for 2024, all commenced revenue recognition in 2025 and substantially all of the corresponding revenue had been recognized as of July 31, 2026; further, as of July 31, 2026, approximately 78.8% of the corresponding trade receivables had been collected. This was primarily because such delays were generally temporary in nature. Most affected projects were subsequently completed or accepted, with the related revenue recognized and cash collected in later periods. In addition, to address project delay issues, we have adopted various internal control measures, including (i) the implementation of a project lifecycle management system, which enables us to monitor various project phases and track project execution more closely, and (ii) conducting weekly rolling reviews of project delivery and acceptance, while engaging in timely communications with customers regarding projects with potential delays or issues. We also experienced limited recoverability issues in respect of a small number of customer contracts, where certain receivables or portions of contract amounts may not be fully recoverable, and we have made impairment provisions where appropriate in accordance with our accounting policies. For details of our trade and bills receivables and related impairment provisions, see "Financial Information — Discussion of Selected Items from Consolidated Statements of Financial Position — Trade and Bills Receivables."

Consulting Services

Services

Our consulting services comprise pre-project consulting and customized solution design services that assist enterprise and government customers in planning and architecting digital transformation and AI adoption initiatives, such as assisting a securities firm with a risk control and compliance project that leverages LLMs, NLP, and multimodal technologies to deliver intelligent news monitoring and risk alerts. We also have assisted a government entity with an official document writing LLM project that integrates document generation, online editing, attachment management, content processing, proofreading and review, and system management. These engagements focus on the planning and design of data platforms, business intelligence frameworks and related technical blueprints, and do not involve the delivery of our proprietary software products. Typical deliverables include consulting reports and technical documentation on data architecture design and data standards formulation, as well as customized application or algorithm design tailored to customers' business needs, such as anti-money laundering algorithms, risk control algorithms and predictive maintenance algorithms. Consulting services play an important role in initiating customer relationships and driving subsequent software demand. During the Track Record Period, approximately 60% of our consulting services customers later procured our software products, and around 20% of customers in our AI and big data infrastructure software and related technical services were converted from prior consulting service engagements.

Deployment Period

Consulting services generally require a deployment period of three to six months, depending on the project's complexity, scope and the level of customization involved. For certain large-scale or highly complex engagements, the deployment period may extend up to one year.

Charging Model

Consulting services are provided on a project-based charging model. Fees are determined by the scope of consulting and design work, the technical complexity of the engagement and the professional resources assigned to the project.

Fund Flow

Payment terms for consulting services follow a staged structure aligned with project milestones. Customers typically pay 15% to 30% of the contract amount upon signing. Subsequent payments are linked to progress under the statement of work, with approximately 30% payable upon initial acceptance and the remaining balance due upon final acceptance. For larger or more complex projects, the payment schedule may include additional intermediate stages, with 15% to 30% payable upon signing, 20% to 30% at two mid-term milestones and the remaining balance upon final acceptance.

Pricing Policy

Pricing is determined based on the project's scope, technical complexity, required consulting expertise and anticipated duration of services. The level of assigned personnel and the time required to complete the engagement are key factors in determining the contract value.

Customer Base

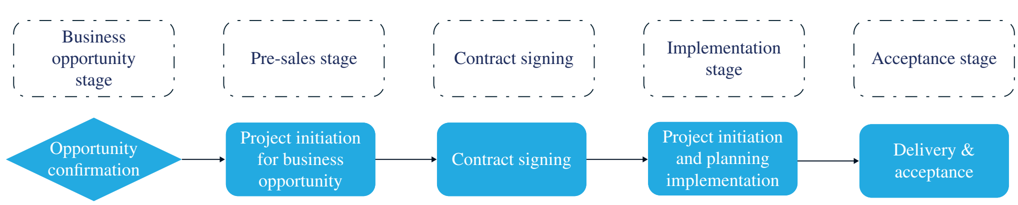
Our consulting services serve the same customer base as our AI and big data infrastructure software and related technical services, including large enterprise and government institutions across finance, energy, transportation, telecommunications, manufacturing and other sectors. These customers typically rely on our consulting services at the early stages of planning digital transformation or AI strategies.

Product Offering Model

We provide consulting services on a standalone basis to address customers' consulting and design needs prior to system implementation. These engagements do not involve the sale or delivery of our proprietary software products. However, consulting services often create downstream demand for our AI and big data infrastructure software as customers progress from planning and design to deployment and operation.

Business Flow

The business flow of this line of business is illustrated below:



In this business line, customers typically initiate engagement through consultations or tender processes, after which we prepare tailored solution proposals and enter into project-based service agreements. During project execution, we are responsible for planning, architecture design and the delivery of technical advisory services in accordance with the agreed scope. Customers review and confirm progress at defined milestones, including initial, mid-term and final acceptance. To enhance delivery efficiency, certain routine support tasks may be undertaken by qualified outsourced personnel under the supervision of our project team. Consulting services generally span several months, and payments are made progressively based on the milestone arrangements set out in the contract.

Other Business

Products

Our other business primarily comprises two types of offerings. First, we sell integrated appliances that combine hardware, such as servers and storage devices, with software, which may include our proprietary software or third-party software. For these appliances, we perform configuration and performance optimization to ensure stable and efficient operation within customers' IT environments. Second, we sell third-party hardware or software on a standalone basis, including servers, storage devices and commercial business-intelligence applications commonly used in enterprise data analytics.

Deployment Period

Deployment is generally completed within two to four weeks, depending on hardware delivery schedules and the implementation requirements of the accompanying software. Where necessary, we configure and validate the integrated appliance to ensure compatibility and performance before formal acceptance by the customer.

Charging Model

We adopt a one-time sales model for hardware, with optional maintenance services provided upon customer request. For software, whether proprietary or third-party, we charge on a perpetual license basis together with related maintenance agreements. These arrangements are consistent with industry practice for hardware-plus-software procurement models.

Fund Flow

Payment arrangements vary depending on whether the contract involves integrated appliances or standalone hardware or software. For integrated appliances, the hardware and software components follow separate payment schedules. Customers are generally required to make full payment for the hardware portion before shipment. The software portion typically follows standard terms of 30% upon contract signing and 70% upon acceptance. In cases where a warranty retention applies, the schedule may be adjusted to 30% upon signing, 60% upon acceptance and 10% after the warranty period. For transactions involving standalone third-party hardware or software, the fund flow arrangements generally follow the same hardware and software payment structures described above.

Pricing Policy

Pricing is determined on a cost-plus basis, taking into account upstream procurement costs, logistics, installation and configuration requirements and an appropriate service margin. Hardware-related projects are typically smaller in scale and shorter in duration compared with software or consulting services.

Customer Base

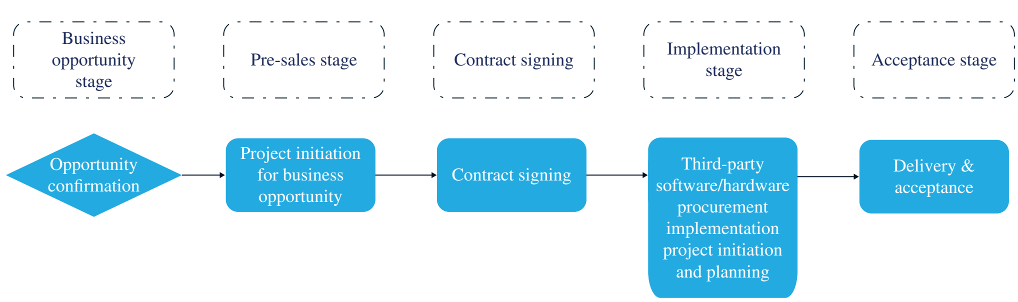
The customer base for this business line is similar to that of our other business lines and mainly comprises large enterprises and government institutions across finance, energy, transportation, telecommunications and manufacturing.

Product Offering Model

We primarily deliver products and services in this business line under standalone contracts. However, these offerings may occasionally be procured together with software licenses or technical services when customers seek complete hardware-plus-software environments to support their data or AI workloads.

Business Flow

The business flow of this line of business is illustrated below:



In this business line, customers procure integrated appliances or standalone hardware or software to support their broader IT and data-platform deployment needs. Following contract signing, we arrange procurement from upstream vendors and carry out the required configuration, integration and testing to ensure that the hardware and software components operate reliably within the customer's environment. Our technical team oversees the verification and acceptance process, including any optimization work performed on integrated appliances. Payments are made in accordance with the contractual fund-flow arrangements described above, with hardware generally prepaid before shipment and software license fees settled upon signing and acceptance. Given the limited scope and relatively short implementation cycle, projects under this business line are typically completed within several weeks.

The following table sets forth revenue breakdown by our business lines during the Track Record Period.

	Year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
AI and big data infrastructure software and related technical services	390,041	79.5	284,180	76.7	362,022	81.0	39,411	61.4	62,118	76.5
Consulting services	79,091	16.1	72,759	19.6	69,559	15.6	22,109	34.4	13,759	16.9
Other business[1]	21,401	4.4	13,816	3.7	15,488	3.4	2,685	4.2	5,365	6.6
Total	490,533	100.0	370,755	100.0	447,069	100.0	64,205	100.0	81,242	100.0

Note:

(1) Our other business primarily consists of the ancillary optimization and sale of third-party hardware and software products in connection with the delivery of our core AI and big data infrastructure solutions.

OUR PRODUCTS AND SERVICES

AI and Big Data Infrastructure Software

To serve diverse digital transformation needs across industries, we offer a suite of proprietary AI and big data infrastructure software products. Based on their core performance characteristics and primary functions, our infrastructure software products can be broadly grouped into the following three categories:

- **Big Data and Cloud Infrastructure Platform Software**

  This category provides the foundational layer for enterprise-scale data storage, processing and computing resource orchestration across different IT environments. Products in this category are designed to support large-scale data integration, unified management of computing resources and cloud-based deployment. This category includes Transwarp Data Hub (TDH) and Transwarp Data Cloud (TDC), which together enable enterprises to manage massive volumes of data and computing resources in a centralized, scalable and efficient manner.

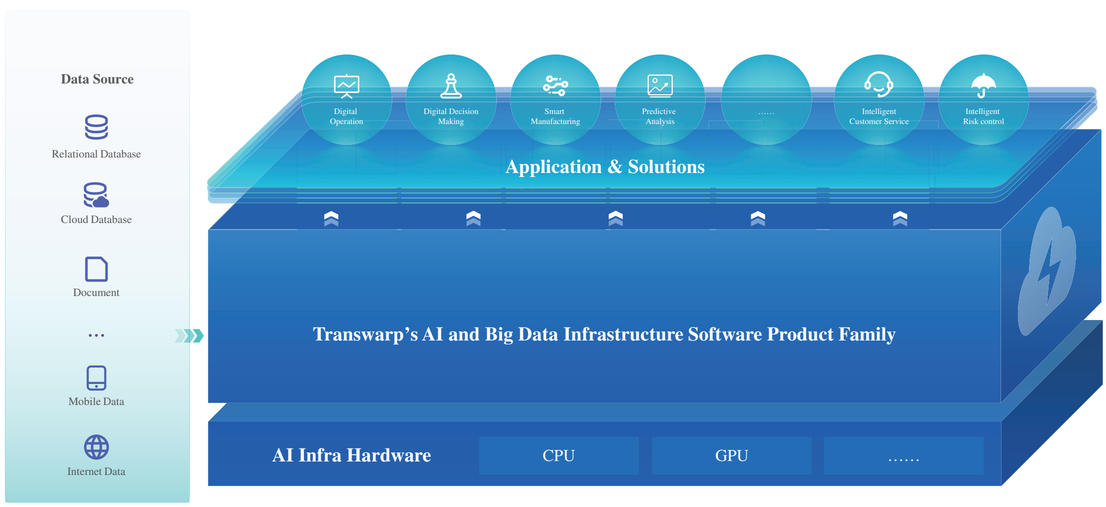
- **Distributed Database Software**

  This category focuses on enterprise-grade data storage and processing for both analytical and transactional workloads. Products in this category are designed to support high-performance data access, reliability and scalability in mission-critical business systems. This category includes Transwarp ArgoDB (ArgoDB) and Transwarp KunDB (KunDB), which address different enterprise use cases ranging from large-scale analytical processing to high-concurrency, low-latency transactional applications.

- **Data Development and AI Analytics Tools**

  This category provides platforms and tools that enable enterprises to develop, manage and analyze data assets and AI applications on top of their data infrastructure. Products in this category support data development, governance, intelligent analytics, model operations and knowledge-based applications. This category includes Transwarp Data Studio (TDS), Sophon and Transwarp Knowledge Hub (TKH), which help enterprises transform data into actionable insights and intelligent applications.

Our major products collectively form an integrated AI infrastructure stack designed to support enterprise-scale intelligent computing. Our infrastructure platform comprises a unified "AI and Data Infrastructure" layer that enables enterprises to ingest, manage, govern and analyze their own proprietary data to support model development, fine-tuning and intelligent application deployment. Such proprietary data is owned and controlled by our customers, and we provide software tools that allow customers to securely and efficiently process and utilize their data within their own systems. We believe that customers' proprietary enterprise data is the cornerstone for developing differentiated AI capabilities and sustaining competitive advantages. The ability to securely and efficiently manage and process such data is critical to enterprise value creation in the AI era. Products such as TDH, TDC, Transwarp Database (ArgoDB and KunDB), and TDS provide the foundational capabilities for secure, scalable storage, computing, and integration of multi-model datasets, while Sophon extends these capabilities with advanced support for machine learning operations ("**MLOps**") and large language model operations ("**LLMOps**"), and TKH focuses on knowledge engineering and intelligent knowledge applications. This integrated architecture empowers enterprises to build, deploy, and manage AI agents and applications with real-time access to structured, semi-structured, and unstructured proprietary data, positioning our platform to meet the evolving demands of enterprise-grade AI.



Our AI and big data infrastructure software forms the core technology foundation that enables our customers' digitalization and intelligent transformation. At the base of the overall technology stack is the AI infrastructure hardware layer, which provides the essential computing power through GPUs, CPUs, high-speed networking and storage equipment. Built on top of this hardware layer, our AI infrastructure software orchestrates and manages underlying computing resources to enable elastic allocation of computing capacity; unifies the collection, storage, management and development of data from diverse sources and formats, transforming raw data into structured, semi-structured data for use across business scenarios; and provides model-development tools that reduce the complexity of deploying AI models and building AI applications. On the top layer, customers, including ISVs, develop domain-specific applications and solutions, such as predictive maintenance, intelligent risk control, digital operations and smart manufacturing, by leveraging the stable, scalable and AI-ready capabilities offered by our infrastructure software. We only provide the foundational software tools that support such development and do not participate in, or have visibility into, how customers' developers design or implement their specific applications, functionalities or business workflows. Together, this three-layer structure positions our product family as a foundational platform supporting the full lifecycle of data- and AI-driven innovation.

During the Track Record Period, TDH, ArgoDB and TDS accounted for the majority of our infrastructure software revenue, and therefore represent the core products driving our AI and big data infrastructure software business.

The table below summarizes the core functions, relationships and distinctions among our major products, illustrating how each product contributes to our overall AI and big data infrastructure software architecture. These products are designed to interoperate seamlessly through a unified technology stack, with TDC serving as the underlying deployment and orchestration platform that supports the delivery of other core software offerings.

Product	Overview and Key Functions	Relationship and Distinction with Other Products
Big Data and Cloud Infrastructure Platform Software		
TDH	An AI-ready, one-stop big data platform capable of processing up to 11 data models, including relational, text, spatial-geographic, graph, document, time-series, and image data. It supports petabyte-scale storage and computing, enabling high-performance batch processing, high-concurrency querying, full-text search, near real-time analytics, and predictive modeling.	• Runs on TDC technology platform for resource monitoring, scheduling, isolation, fault recovery, and elastic scaling. • Provides a stable big data infrastructure for upper-layer applications and AI workloads.
TDC	A container-based cloud platform that unifies and orchestrates heterogeneous hardware and software resources (including CPUs, GPUs, networks, storage, and operating systems). It enables centralized management and flexible allocation of computing resources, helping enterprises efficiently run and monitor multiple data and AI systems on shared infrastructure while keeping them secure and independent from each other.	• Serves as the deployment and orchestration platform for other software. • Enables the Company's software products to be delivered in a PaaS model. • Provides the foundation for resource pooling, elasticity, and scalability across the product suite.
Distributed Database Software		
ArgoDB	A distributed database system designed for high-performance analytics in enterprise environments, supporting analytical, real-time, and hybrid workloads combining multiple data models. It can also serve as an external knowledge base for generative AI models.	• Runs on TDC technology platform for resource management and elasticity. • Compared with TDH, supports mixed workloads including real-time and transactional data processing.
KunDB	A distributed data system designed for high concurrency, strong consistency, and low-latency transactional workloads, suitable for core operational systems such as ERP, OA, and high-frequency applications such as resident digital ID.	• Runs on TDC technology platform for resource management and elasticity. • Focuses on transactional workloads, while ArgoDB focuses on analytical workloads.

Product	Overview and Key Functions	Relationship and Distinction with Other Products
Data Development and AI Analytics Tools		
TDS	A suite of big data development tools providing modules for data integration, workflow scheduling, governance, asset management, security, and data sharing. It supports the development and management of enterprise-level data engineering platforms.	• Runs on TDC technology platform and integrates data stored in TDH, ArgoDB, and KunDB. • Supports structured data governance for Sophon and TKH.
Sophon	An enterprise AI development and management platform supporting the full lifecycle of AI model and application development, including data preprocessing, knowledge base construction, model training, optimization, deployment, and intelligent agent development.	• Runs on TDC technology platform and leverages TDS for structured data governance. • Uses TDH, ArgoDB, and KunDB for data management. • Compared with TKH, serves AI model and application developers.
TKH	An enterprise knowledge management and application platform that includes pre-configured large language models, agents and tools for building intelligent applications based on corporate knowledge and proprietary data. It transforms structured, semi-structured, and unstructured data into searchable and analyzable knowledge assets accessible via natural language.	• Relies on TDH and ArgoDB/KunDB for enterprise data management. • Uses Sophon for knowledge engineering and unstructured data processing. • Leverages TDS for structured data governance. • Compared with Sophon, designed for end users of AI models and applications.

Big Data and Cloud Infrastructure Platform Software

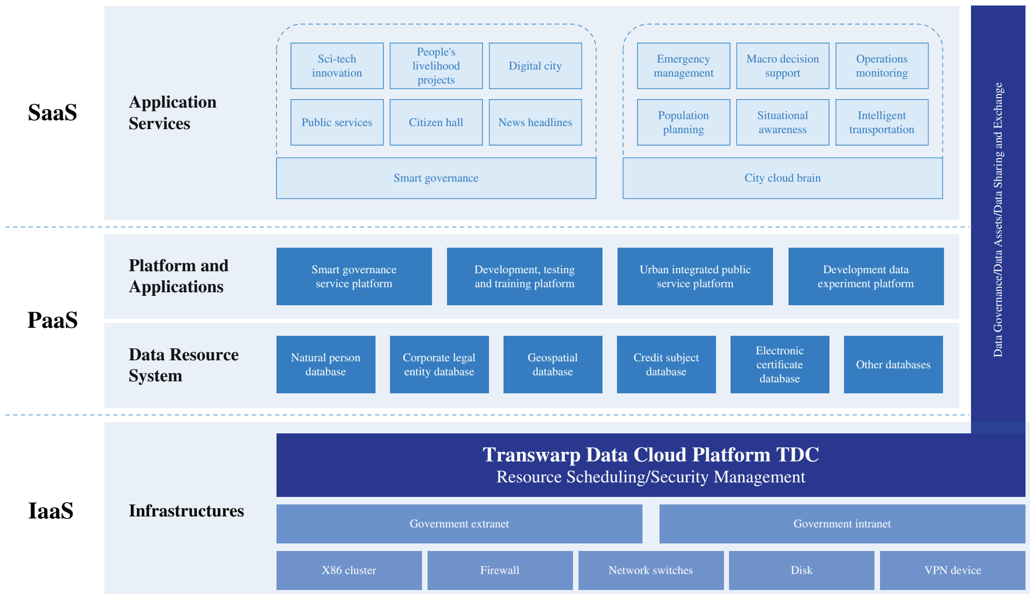
- TDH: TDH is our self-developed, unified big data infrastructure platform designed for enterprise-scale data integration, processing, and analytics. Built on a cloud-native, distributed architecture, TDH supports Petabyte-level data storage and computation across multiple data models, covering different types of enterprise data, including relational tables, documents, time-series records, spatial-temporal information, vector data and graph data. The platform provides integrated capabilities for large-scale data analysis and search, allowing enterprises to handle the entire data lifecycle from data ingestion to advanced analytics within a single system. TDH supports ANSI SQL and commonly used legacy database dialects such as Oracle PL/SQL, enabling enterprises to migrate existing systems with minimal changes and allowing developers to continue working in familiar environments. Its multi-model processing capability, containerized deployment, resource orchestration, and high-performance computing make TDH a foundational layer of our data infrastructure software business, serving as the backbone for intelligent data applications across sectors.

  Application Scenario: A national postal group uses TDH to support its daily operations, which generate enormous amounts of complex data from parcel tracking, branch outlets, logistics routes, customer interactions and billing systems. Its legacy data platform could no longer keep up: storage was reaching its limits, reports were running slowly, and the system struggled to handle newer types of data such as tracking logs, photos and address text. By adopting TDH as its unified data platform, the postal group can now store and manage all types of business data in one place and analyze them quickly and reliably to track parcel flows, assess network capacity, understand customer behavior and support pricing and operational decisions. TDH allows data to be processed in parallel across many ordinary servers, enabling the system to handle peak periods such as "Double 11" when parcel volumes can exceed 100 million a day and real-time traffic can reach over one and a half million parcels per second at its maximum. With TDH, the postal group can monitor cross-border parcel flows, predict seasonal demand, identify customers who are likely to churn, clean and standardize address information, and optimize pricing. The platform supports hundreds of thousands of fast, concurrent queries each day and provides timely insights that help the organization improve service quality, manage capacity during peak seasons and make more informed operational decisions.

- TDC: TDC is our self-developed cloud platform built on the Transwarp Cloud Operating System ("**TCOS**") that helps enterprises centrally manage and allocate computing and data resources across private, public and hybrid cloud environments. Its primary function is to unify the management, isolation, scheduling and allocation of software and hardware resources, such as computing power, storage and networking, so that different business systems and departments can use these resources efficiently and securely. Through the TDC technology platform, our products, including TDH, TDS, ArgoDB, KunDB, Sophon and TKH, can be deployed and operated as standardized cloud services with unified monitoring, scaling and lifecycle management. By providing a stable and flexible infrastructure foundation, TDC supports upper-layer data processing platforms and AI applications, enabling enterprises to run digital and intelligent applications more reliably and at scale.

  Application Scenario: At the big data center of a direct-administered municipality in China, large volumes of public-service data, including citizen records, business information, maps and location data, and electronic licenses, are centrally collected to support data sharing and analytics across municipal and district government departments. TDC serves as the underlying infrastructure platform that coordinates and allocates computing and data resources, enabling different departments to securely access and use shared data without building or operating separate systems. By unifying previously fragmented infrastructure, TDC resolved long-standing issues such as manual data requests between departments and the operation of isolated and incompatible IT systems, while ensuring that each department can manage its own data and share only what is necessary for service delivery. Built on this foundation, high-traffic digital government platforms such as "One-Stop Public Services" are able to run reliably, allowing millions of residents to complete tasks such as applying for permits, updating personal records and checking service status quickly online, even during peak hours. Overall, TDC has become a key part of the municipality's digital government framework, improving cross-department coordination, enhancing service efficiency and reducing the time and effort required by both citizens and public-service staff.

To further illustrate how TDC supports the municipality's unified digital government framework and enables cross-departmental data sharing and service delivery, the following diagram provides an overview of the system architecture and function of the TDC case.



TDC can be sold as a standalone software product to customers that require centralized management and scheduling of computing and data resources across complex environments. However, during the Track Record Period, TDC did not constitute a major contributor to our revenue. Notwithstanding this, TDC is strategically important to our business, as its underlying technologies and architectural framework are shared across, and embedded in, our other major infrastructure software products. As such, TDC serves as a common technical foundation that supports the operation, deployment and scalability of our broader product portfolio.

Distributed Database Software

Distributed database software refers to database systems designed to store and process data across multiple servers in a coordinated manner, enabling scalability, reliability and high performance for enterprise workloads. Our distributed database software products include ArgoDB and KunDB, which share a common distributed architecture and core database capabilities. While both products support enterprise-grade distributed database applications, ArgoDB is our primary distributed database product and is designed to support large-scale data analysis as well as mission-critical transactional workloads, enabling real-time analytical processing for enterprise applications. KunDB provides similar distributed database capabilities but places greater emphasis on high-concurrency, low-latency transactional processing in scenarios where transaction performance is the primary requirement. During the Track Record Period, revenue from our distributed database software business was primarily generated by ArgoDB, and therefore the following discussion focuses mainly on ArgoDB.

- ArgoDB: ArgoDB is our self-developed, distributed database system designed for high-performance analytical processing in enterprise-scale scenarios. It supports complex SQL queries, real-time analytics and mission-critical transactional processing, as well as massive parallel processing across large datasets. ArgoDB can scale easily as data volumes and workloads grow, continue operating reliably even if individual components fail, and maintain accurate and consistent data results, making it suitable for core enterprise applications that require both fast analytical insights and stable transactional performance, such as those used in financial services. It is designed to process large volumes of data efficiently and deliver fast query results, allowing enterprises to run complex analytics and reporting workloads smoothly. ArgoDB offers compatibility with traditional database systems such as Oracle, allowing enterprises to migrate and modernize legacy systems with minimal disruption. ArgoDB can be deployed flexibly in both private and public cloud environments and is designed to operate reliably as systems grow and evolve over time. By efficiently organizing and accessing data at scale, ArgoDB provides a stable foundation for enterprise data platforms and AI-driven analytics applications.

Application Scenario: A major Class A tertiary hospital used ArgoDB to bring together all the information scattered across its main campus and nearly ten affiliated institutions, solving long-standing problems such as disconnected systems, delayed access to up-to-date clinical and operational data, and decision-making lags that affected patient care. By running ArgoDB on its existing servers, the hospital unified data from key clinical systems, such as medical records, diagnostic imaging, lab results and patient visit histories, as well as administrative information like staffing and finance, all within a single platform. This allowed doctors and hospital staff to quickly access complete and up-to-date information instead of searching through separate systems. ArgoDB also enabled the hospital to build easy-to-use data dashboards that showed important indicators such as patient flow, queuing times, bed availability and resource usage in real time. Management could make faster and better decisions on scheduling and resource allocation, improving service efficiency, while clinicians could view a patient's full diagnostic history to support more accurate treatment. Overall, ArgoDB helped the hospital shift to a modern, centralized management model, reducing delays, improving coordination across campuses and delivering a smoother experience for patients and medical staff.

Distinction Between TDH (Big Data and Cloud Infrastructure Platform Software) and ArgoDB (Distributed Database Software): TDH and ArgoDB serve fundamentally different functions and therefore cannot be grouped as a single product category, although they are often deployed together within the same enterprise. For example, in a typical commercial bank environment, ArgoDB is used to support mission-critical, real-time transactional systems, such as account opening, payment processing and instant loan approval, where high concurrency, strong data consistency and fast response times are essential for daily operations. At the same time, TDH is used to aggregate and process large volumes of historical and cross-system data, enabling the bank to conduct regulatory reporting, customer behavior analysis, risk monitoring and predictive analysis based on long-term data trends. By separating real-time transactional processing from large-scale analytical processing, the bank can ensure both operational stability for front-end business applications and efficient data analysis for management and regulatory purposes. Notwithstanding these differences, TDH and ArgoDB are built on our shared core technologies and underlying architectural foundation, including distributed computing, storage management and resource coordination capabilities, which allows us to reuse common technology components across products while delivering solutions optimized for distinct enterprise use cases within the data infrastructure stack.

Data Development and AI Analytics Tools

Data development and AI analytics tools refer to software platforms and tools that enable enterprises to develop, manage and analyze data assets, and to support data-driven and intelligent analytics applications built on underlying data infrastructure. Our products in this category include TDS, Sophon and TKH, which together provide capabilities for data development, data governance, intelligent analytics, model operations and knowledge-based applications. During the Track Record Period, the primary revenue contribution within this category was generated by TDS, which serves as the core data development and governance platform for enterprise customers. Accordingly, while the following discussion focuses primarily on TDS given its primary revenue contribution during the Track Record Period, we will also introduce Sophon and TKH, as we expect to continue expanding the customer base and application scenarios for these products going forward.

- TDS: TDS is our cloud-native data development and governance platform that provides enterprises with a unified set of tools to build, manage and govern data assets across distributed environments. Designed based on a distributed architecture, TDS enables users to build, manage, and operate data assets across complex environments. The platform integrates a suite of visual and low-code tools that support data integration, governance, quality management, lineage tracing, and asset cataloging. It allows high-frequency orchestration of data tasks and supports both real-time and batch workflows. TDS is compatible with a wide range of data systems, including our TDH, ArgoDB, KunDB, TDC, and Sophon, as well as external big data platforms. It also automatically identifies, classifies and grades data based on their sensitivity, helping enterprises manage data privacy and security in a consistent manner. TDS provides a unified working environment for data engineers and analysts to collaboratively develop and manage data assets at enterprise scale.

Application Scenario: A national energy company used TDS to bring together and manage the huge amount of data generated by its gas stations across the country, allowing it to build a clear and practical set of performance indicators for sales and operations. Previously, each station produced its own data, from fuel and convenience-store sales to membership activity and invoice records, and the energy company struggled to combine these scattered sources into information that managers could actually use. With TDS, all of this data was integrated, checked for accuracy, and standardized into a single, trusted source, which business teams in retail, wholesale, logistics and finance could access through a unified dashboard. TDS enabled the energy company to create more than 2,000 indicators used for budgeting, daily operations, risk monitoring and performance evaluation, supporting decisions in areas such as logistics planning and consumer voucher programs. TDS now handles hundreds of thousands of automated data-processing tasks every day and operates at a massive data scale, becoming a critical system that helps the energy company monitor and improve its nationwide operations.

- Sophon: Sophon is our enterprise-level AI development and operations platform that helps customers build, deploy and manage AI models, including large language models ("**LLMs**"), in a more efficient and standardized manner. It supports the full lifecycle of AI models, from data preparation and model training to deployment and ongoing monitoring, enabling enterprises to turn different types of data into practical AI applications. Sophon provides both visual tools and programming interfaces, allowing teams with varying technical capabilities to use the platform effectively. Integrated with our core infrastructure platforms, Sophon offers a unified environment for managing AI models and running AI applications at scale, helping enterprises reduce the complexity of AI development and improve operational efficiency.

  Application Scenario: A leading securities firm used Sophon to manage the growing use of AI models across its business. As more AI applications were introduced for research, customer service and investment support, the firm needed a single platform to manage different models in a consistent and secure way. With Sophon, the securities firm was able to centrally deploy, operate and monitor its AI models, ensuring they could run reliably on different types of computing hardware without operational disruption. The platform also helped simplify daily operations by providing standardized tools for model deployment, performance monitoring and resource management. As a result, the securities firm was able to reduce operational complexity and costs, while using AI more efficiently and securely in compliance with financial industry requirements.

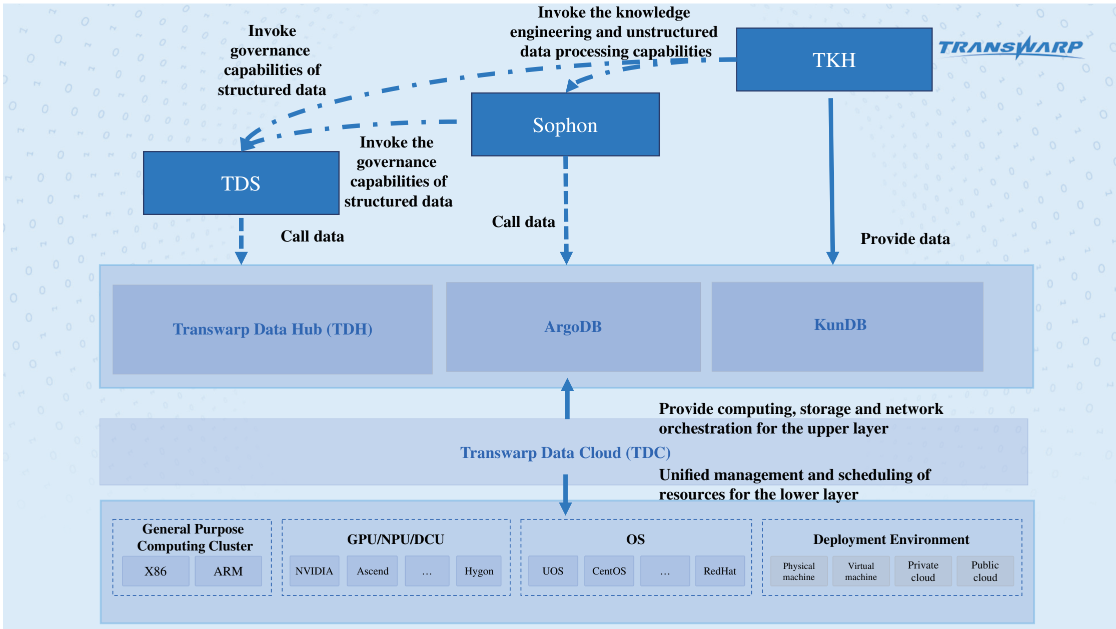
- TKH: TKH is our enterprise-level platform that helps organizations organize and use their data as structured knowledge. It brings together information from different sources and formats and turns it into knowledge that can be searched, queried and reused across business scenarios. TKH supports the creation of enterprise knowledge bases and enables applications such as intelligent search and question-and-answer systems tailored to specific industries or use cases. It also supports generative AI applications built on enterprise knowledge, including Wuya, through which we provide generative AI services to end users via the Wuya–Wenzhi website and mini-program. It can be deployed flexibly in enterprise IT environments and is designed to support stable and scalable use across different departments.

  Application Scenario: TKH is used by enterprises and public institutions to organize and make better use of large amounts of documents and professional knowledge. For example, a public health agency used TKH to bring together information that was previously spread across different formats, such as policy documents, clinical guidelines and disease-prevention materials, and organize it into a single knowledge base. This made it much easier for staff to find and reuse important information instead of searching through separate files. With support from LLMs, the system allows users to ask questions in plain language, quickly retrieve relevant information and generate summaries to support daily work, such as public health planning and disease prevention. As a result, the public health agency improved work efficiency and decision quality in its public health operations.

Relationships and Synergies Among Our Products

Our core products operate within an integrated architecture centered on TDC, our container-based data cloud platform. TDC provides unified resource scheduling and orchestration, serving as the deployment foundation for our major software products. Building on this layer, TDH, ArgoDB, and KunDB function as core data engines that manage and process structured and unstructured data. TDS supports data development and governance, while Sophon and TKH extend the framework to AI model management and intelligent application layers.

The following diagram illustrates the relationships and synergies among our products:



Notes:

1. A solid arrow indicates that it shall depend on all or part of the relevant functions and capabilities of the product indicated by the arrow

2. A dotted arrow indicates that it can invoke all or part of the capabilities of the relevant product

Our Future Development

- GPU-Native Database: To enter the AI agent-centric incremental market, we are developing a GPU-native database positioned as one built entirely on a new GPU-based architecture. The database is primarily designed for AI, aiming to meet the needs of AI agents in terms of short- and long-term memory storage, efficient interaction, and data content understanding. In terms of functionality, it consists of a knowledge base, a memory system, and a relational database. We plan to first launch a single-server, multi-GPU version capable of analyzing approximately 1TB of data on a single server, delivering performance dozens of times faster than traditional architectures. Our existing products will serve as platforms for storing and processing historical data, while the GPU-native database will act as an acceleration layer to support AI agents. We intend to offer both cloud-based and on-premises deployment options, and are in the process of exploring potential fee models. Our potential customers primarily include enterprises who are latency-sensitive or have a high volume of AI deployments. We expect to launch the cloud version of such GPU-native database in the second half of 2026.

  Application Scenario: This GPU-native database is primarily designed for scenarios requiring accelerated AI inference, latency-sensitive applications (such as quantitative trading and real-time anti-fraud systems in banking), exploratory analysis (such as drug discovery and energy exploration), and computations involving high complexity and large data volumes.

Technical Services

We provide technical services that are directly tied to, and support the effective use of, our proprietary AI and big data infrastructure software. These services fall into two main categories. First, we offer maintenance services, which include software upgrades, bug fixes and remote technical support, and are typically provided on a recurring basis following software deployment. Second, we provide other technical services on a project basis, such as deployment, configuration, system integration, advanced consulting and troubleshooting, to support customers during implementation and optimization stages.

All technical services are delivered in connection with our proprietary software products, and are designed to ensure stable operation, performance optimization and compliance with customers' operational and security requirements. Depending on customer needs and internal IT capabilities, these services may be provided together with software licenses or on a standalone basis following initial deployment. Through these services, we support customers across the software lifecycle, from initial implementation to ongoing operation and maintenance, particularly for enterprise and government customers operating mission-critical systems.

Consulting services

Our consulting services primarily comprise consulting and customized solution design services that assist enterprise and government customers in planning and architecting their digital transformation and AI adoption initiatives. These services are typically provided at the pre-project or early implementation stage and focus on the design of data platform architectures and business intelligence frameworks, drawing on our domain expertise and understanding of industry-specific requirements. Consulting services do not involve the delivery of standalone software products; instead, they are designed to help customers define technical roadmaps, system architectures and implementation approaches for data and AI initiatives.

Our consulting services also serve as an important channel for driving demand for our proprietary AI and big data infrastructure software, including TDH, TDC, ArgoDB, KunDB, TDS, Sophon and TKH. Through consulting service engagements, we work closely with customers to identify suitable application scenarios and infrastructure requirements, which often leads to subsequent software adoption. During the Track Record Period, a significant portion of our consulting service customers subsequently purchased our infrastructure software products and became customers under our AI and big data infrastructure software and related technical services, while a meaningful number of our infrastructure software customers were initially acquired through consulting services. As such, consulting services play a complementary and strategic role in expanding our customer base and supporting long-term software commercialization.

Other Business

Our other business primarily comprises the sale of integrated appliances and certain third-party hardware and software products in support of customers' digital and data infrastructure needs. Integrated appliances combine hardware components, such as servers and storage devices, with software that may include our proprietary products or third-party software. For such appliances, we may also perform configuration and performance optimization services to help ensure stable and efficient operation in customers' production environments.

In addition, we may sell third-party hardware or software products on a standalone basis, including servers, storage devices and commercial business intelligence software, where such products are requested by customers or required as part of broader solution deployments. These activities are ancillary to our core AI and big data infrastructure software and related technical services and are intended to support the overall implementation and operation of customers' systems.

OUR CORE TECHNOLOGIES

Our core technologies comprise seven foundational areas: (i) container-based data cloud technology, (ii) distributed computing technology, (iii) unified multi-model data processing technology, (iv) distributed database technology, (v) AI and machine learning operation technology, (vi) knowledge engineering and knowledge graph technology, (vii) big data development technology, which together form the technical foundation of our platform. These technologies are structured into a two-layer architecture, as illustrated in the following diagram.

These core technologies serve as the foundational capabilities that power our full product and service portfolio, with each technology layer supporting specific products while operating as part of a cohesive, interoperable architecture.

- At the IaaS layer, our container-based data cloud technology, used in TDC, enables flexible, efficient resource scheduling and orchestration across heterogeneous environments.
- At the PaaS layer, distributed computing technology, unified multi-model data processing technology, database technology, and AI and machine learning operation technology, used in TDH, ArgoDB, and KunDB, provide the scalable infrastructure for data integration, processing, and AI model lifecycle management. Our knowledge engineering and knowledge graph technology, together with our big data development technology, used in Sophon, TKH, and TDS, support semantic modeling, intelligent reasoning, and rapid development, deployment, and iteration of data-driven applications.
- Our Sophon and TKH leverage the full technology stack across both the IaaS and PaaS layers, integrating container-based deployment, distributed and multi-model data processing, and advanced algorithmic capabilities to enable model training, fine-tuning, deployment, and intelligent decision support. This unified architecture ensures architectural consistency, seamless interoperability, and high scalability across our products, allowing us to deliver modular yet integrated solutions that adapt to diverse customer needs in enterprise digital transformation and AI adoption.

The table below summarizes our core technologies, explaining in simple terms their main functions and how they address common customer pain points.

No.	Core Technology	Functions and Descriptions	Pain Points Solved
(i)	**Container-based data cloud technology**	• Unified management of resources, such as CPUs, GPUs, memory, network and storage, across different vendors • Resource isolation to ensure stability across users and applications • Single environment that supports databases, big data platforms, machine learning and business applications	• Resource waste from over-provisioning • Traditional virtualization consumes more resources and takes longer to scale (container-based architecture enables faster and more efficient elasticity) • Difficulty managing heterogeneous hardware environments
(ii)	**Distributed computing technology**	• Enables fast processing and analysis of massive data volumes by connecting many servers • Supports batch jobs, real-time processing, transactions and analytics on one platform • Ensures accuracy and reliability across distributed environments	• Traditional systems can only scale up but not scale out, thus cannot handle explosive data growth • Slow and costly data processing and lack of reliable real-time insights for decision-making • Single points of failure in legacy systems can cause complete system outages and result in poor reliability
(iii)	**Unified multi-model data processing technology**	• Processes structured, semi-structured and unstructured data in one system • Provides a unified SQL interface and computing engine • Ensures consistency across different data models • Reduces need for multiple databases	• High costs and inefficiency of running multiple databases • Complex architecture and maintenance • Low productivity and high operational burden, especially for AI applications to recall data from multiple databases • Data inconsistency among multiple databases • Time wasted on data replication

No.	Core Technology	Functions and Descriptions	Pain Points Solved
(iv) . .	**Distributed database technology**	• Generate hundreds or thousands of parallel tasks for one single database query, and run these tasks across hundreds or thousands of servers • Stores and manages data across multiple servers • Supports both Online Transaction Processing (OLTP) and Online Analytical Processing (OLAP) within a single platform, allowing customers to handle day-to-day transactions and analytical queries efficiently without switching between different systems. • Scales easily as data volumes and workloads increase	• Limited scalability and performance of traditional centralized databases because they can only use all resources in one single server • Need to maintain separate systems for transactions and analytics • Inability to handle real-time, mixed workloads such as risk control or predictive maintenance
(v) . .	**Knowledge engineering and knowledge graph technology**	• Converts unstructured data (documents, reports, images, videos) into structured formats • Automatically extracts entities (such as people, places, objects, concepts), events and relationships • Builds a searchable and analyzable knowledge graph (a network of entities) • Learns patterns from small training samples	• Difficulty using unstructured data trapped in "data islands" • Lack of reliable data to support AI models • Hallucinations in large models without factual support
(vi) . .	**Big data development technology**	• Provides tools for full data lifecycle: integration, governance, asset management, labelling, sharing, scheduling • Built on distributed architecture • Features innovations such as real-time data synchronization and AI-driven management	• Incapable of handling large-scale parallel tasks and massive volumes of data • Fragmented traditional toolchains with poor integration, unable to synchronize data from source systems in real time • High maintenance and operating costs due to the lack of intelligent data governance methods • Reliance on ad-hoc scripts and lack of consistent standards
(vii). .	**AI and machine learning operation technology (MLOps/LLMOps)**	• Manages the full lifecycle of AI models (training, testing, deployment, monitoring) • Provides tools for large language model operations (prompt engineering, fine-tuning, data governance, version control, intelligent agent building)	• Inefficient use of fragmented computing resources • Difficulty in managing multiple models and versions • Complexity in building and operating intelligent applications end-to-end

(i) Container-based Data Cloud Technology

TDC is a container-based data cloud platform that serves as the foundation for resource scheduling and orchestration across our entire software stack. It enables elastic, multi-tenant management in public, private, and hybrid cloud environments, supporting efficient allocation and dynamic scaling of computing resources. TDC is compatible with heterogeneous hardware architectures and mixed operating systems (e.g., x86 and ARM), which facilitates migration from foreign to domestic infrastructure and supports long-lived workloads. It also enables unified lifecycle management of databases, analytics engines, and AI services.

Compared with traditional resource managers such as Yarn, which lack features like resource isolation, stateful service management, and cross-environment portability, our container-based approach offers superior flexibility. It supports high-efficiency resource scheduling, secure multi-tenant deployment, and low-cost operations, laying a robust foundation for scalable and intelligent infrastructure.

(ii) Distributed Computing Technology

We have developed a distributed system architecture that integrates distributed computing, storage management, consistency protocols, and transaction processing. Its unified distributed platform supports massive scalability across thousands of servers and a wide range of data types, including but not limited to structured table, graph, time-series, document, and spatio temporal data. The architecture also includes a high-performance computing engine optimized for batch, stream, transactional, analytical, and mixed workloads, a distributed consistency system supporting cross-region deployments, and distributed transactions that guarantee strong consistency, which are widely adopted in mission-critical financial and energy systems.

Our distributed computing technology is technically advanced in several key respects. Our platform was the first in the world to pass the official Transaction Processing Performance Council Decision Support ("**TPC-DS**") benchmark test conducted by the internationally renowned Transaction Processing Performance Council ("**TPC**"), which is an industry-standard benchmark used to evaluate the performance of decision support systems, underscoring industry-leading performance at petabyte scale. Unlike peers who only achieved strong consistency post-2018, our platform supported distributed transactions with strong consistency as early as 2015. Our computing engine supports federated computation and real-time failover, providing availability for critical production systems.

(iii) Unified Multi-model Data Processing Technology

To overcome the limitations of using separate engines for relational, graph, temporal, document, and other data types, we developed a fully unified platform architecture. Our TDH platform integrates a single SQL engine, compute engine, storage manager, and resource scheduler capable of managing both structured and unstructured data from gigabyte to petabyte scale. As of the Latest Practicable Date, we had developed ten self-owned storage engines supporting eleven distinct data models, enabling seamless processing across a wide range of business scenarios without the need for manual integration.

This unified architecture allows direct querying and analytics across multiple data models, such as relational, vector, graph, temporal, document, time-series, and semi-structured formats, within a single system. By eliminating the need for custom connectors and multiple tools, the platform significantly reduces data engineering complexity, lowers system overhead, and improves stability and performance for large-scale enterprise deployments.

(iv) Distributed Database Technology

Our distributed database technology integrates a self-developed, unified SQL compiler with a high-performance distributed engine to support both online transactional processing ("**OLTP**") and online analytical processing ("**OLAP**") workloads. The compiler translates standard and extended SQL languages, including ANSI 92/99/2003 and mainstream dialects such as Oracle PL/SQL and IBM Db2, into distributed execution plans, and supports multi-model querying across tables, graphs, and documents. It also enables advanced features such as stored procedures and open Cypher-based graph queries, facilitating seamless migration from legacy systems. Compared with peers that rely on fragmented or external SQL engines, our unified compiler lowers the learning curve for developers and significantly reduces migration and integration costs.

The underlying distributed engine is built on a unified architecture capable of handling hybrid transactional and analytical workloads with high concurrency, low latency, and real-time responsiveness. It incorporates directed acyclic graph ("**DAG**")-based scheduling for efficient and fault-tolerant execution, hybrid row-column storage for performance optimization, and multi-version concurrency control ("**MVCC**") to ensure snapshot isolation. Its decoupled compute-storage design allows for elastic scaling, while containerized resource isolation and cross-data center deployment support secure, scalable, and geographically distributed operations. Our technology has passed industry-standard benchmarks such as TPC-DS, validating its suitability for mission-critical enterprise environments.

(v) AI and Machine Learning Operation Technology

We have developed full-lifecycle operations and management tools for artificial intelligence models, including Sophon MLOps for traditional machine learning and deep learning, and Sophon LLMOps for LLMs. These platforms support unified management of model development, evolution, deployment, monitoring, and application across diverse environments. Sophon LLMOps provides key capabilities such as prompt engineering, data governance, pre-training, fine-tuning, model version control, intelligent agent construction, and inference optimization. The platform also incorporates inference acceleration, heterogeneous computing resource management, and compute pooling, along with end-to-end security and access control for the entire corpus-knowledge-model-application pipeline.

In particular, our knowledge platform, Infinity Intelligence, built for private server-side deployment, has been deeply optimized for compatibility with mainstream domestic GPUs, significantly improving inference efficiency and deployment speed. The platform supports lightweight private deployment of LLMs on AIPCs using as little as 8GB of video memory or 32GB of shared memory, enabling smooth local operation of LLMs. This significantly lowers the technical barrier and total cost of adoption, promoting broader accessibility and mass deployment of LLMs. Combined with resource virtualization and model adaptability, Sophon LLMOps empowers organizations to flexibly scale and customize LLM-driven applications while maintaining fine-grained control over performance, cost, and security.

(vi) Knowledge Engineering and Knowledge Graph Technology

We have developed an integrated technology framework that combines knowledge engineering and knowledge graph capabilities to help organizations transform fragmented, unstructured data into structured, actionable knowledge. Our platform supports the full lifecycle, from data cleaning and synthesis to indexing, tagging, and retrieval, and includes enterprise-grade tools for corpus management, access control, and quality evaluation. It enables multimodal knowledge representation and search, enhanced by embedded RAG techniques, helping users efficiently locate relevant information and make informed decisions.

Built on this foundation, our knowledge graph engine supports the automated extraction and structuring of entities, relationships, and events from diverse data sources using advanced techniques such as LLMs, few-shot learning, and zero-shot learning. The resulting knowledge graphs power real-time semantic understanding and intelligent reasoning in practical applications. For example, documents can be automatically converted into knowledge graphs to support tasks such as question-answering, fault diagnosis in complex systems, maintenance and operations manuals, or design guideline extraction. By integrating natural language, visual, and graph-structured data, our system enhances the precision, flexibility, and scalability of knowledge-based AI across a wide range of industrial and enterprise scenarios.

(vii) Big Data Development Technology

Our big data development technology is embodied in our self-developed TDS platform, which offers an end-to-end suite of data management tools that span the entire lifecycle of enterprise data assets. TDS is built on a distributed architecture and includes modules for data integration, governance, asset management, labeling, and data exchange. It supports integration with heterogeneous data sources and databases, as well as intelligent rule design and metadata management. Core innovations include real-time data synchronization, AI-driven data asset governance, and distributed workflow orchestration. These capabilities collectively enable enterprise users to transform raw data into structured, secure, and service-ready assets across data warehouses, data lakes, and mid-platforms.

This technology incorporates several advanced capabilities that improve efficiency and scalability in enterprise data environments. The real-time synchronization engine enables incremental data capture from mainstream databases such as Oracle, IBM DB2, and SQL Server, allowing enterprises to move from traditional batch processing to real-time analytics. TDS's data asset governance tools, such as Governor and Catalog, leverage machine learning to automatically match datasets with quality rules and provide cell-level lineage tracking, minimizing manual intervention in data quality management. In parallel, the Workflow engine supports the orchestration of 0.7 million data development tasks per day, with features such as dynamic scaling, priority scheduling, and task health monitoring, ensuring high reliability and performance under complex workloads. These capabilities collectively enhance data productivity, reduce operational latency, and lay the foundation for scalable AI applications.

The table below summarizes the main technologies underpinning each product and illustrates how they form part of a unified and interoperable product ecosystem.

No.	Underlying Technologies	TDH	TDC	ArgoDB	KunDB	TDS	Sophon	TKH
(i) . . .	**Container-based data cloud technology**	√	√	√	√	√	√	√
(ii) . .	**Distributed computing technology**	√	√	√	√	√	√	√
(iii) . .	**Unified multi-model data processing technology**	√		√				
(iv) . .	**Distributed database technology**	√		√	√			
(v) . .	**AI and machine learning operation technology**						√	√
(vi) . .	**Knowledge engineering and knowledge graph technology**						√	√
(vii). .	**Big data development technology**					√		

RESEARCH AND DEVELOPMENT

We place innovation and independent research and development ("**R&D**") at the core of our long-term strategy and technological competitiveness. As of March 31, 2026, we had over 870 employees, of whom over one third, representing 298 employees, were engaged in R&D roles. Among our R&D personnel, nearly 60% held doctoral or master's degrees, reflecting our deep and multidisciplinary talent pool spanning fields such as distributed computing, database engineering, AI infrastructure, and algorithm programming.

We are among the earlier companies in China to focus on the research and development of AI infrastructure software, an emerging field that underpins the growth of the broader AI ecosystem. Our self-developed AI and big data infrastructure platform and distributed analytical database have been leading the industry. In March 2018, TDH V5.1, our AI and big data infrastructure platform product, successfully passed the TPC-DS benchmark test conducted by the internationally renowned TPC, becoming the first audited data product globally to fully pass this benchmark test. In August 2019, ArgoDB V1.2.1 also passed the TPC-DS benchmark test, making it the fourth database product worldwide to achieve this certification. Further demonstrating its technological prowess, in August 2022, Sophon Discover V3.0.0, our AI and big data platform, became the first product to pass the TPCx-AI benchmark test at SF3,000, the largest scale tested by TPCx-AI at that time. Our AI and big data infrastructure platform, TDH V9.1, passed the TPCx-BB SF3,000 benchmark test, achieving the highest performance globally in December 2023 and retained the second highest performance position in 2024.

We primarily develop our software products in-house to ensure full control over product quality and technological advancement. Guided by mainstream domestic and international project management standards such as the Capability Maturity Model Integration (CMMI), and drawing on years of practical experience, we have established a comprehensive set of quality manuals, procedural guidelines, and management documents to govern our R&D process. Our product development process is structured into four main stages:

- *Planning stage*: We conduct demand research, market capacity assessment, and technical feasibility analysis to identify projects with promising commercial potential or strategic importance.

- *Design stage*: Following project approval, our product management team defines core product functions, delivery formats, and user experience, while our R&D team carries out technical architecture design and prototype development to validate technical feasibility.

- *Development stage*: We decompose the product into modules or components and assign them to sub-teams for detailed development and component-level testing. Upon completion, we integrate and optimize all components and conduct comprehensive integration testing.

- *Release stage*: After integration testing, we release a preview version internally for product validation testing to ensure that new products meet design specifications, quality standards, and compatibility requirements before official launch.

Our product planning strategy targets one major version release per year. At the beginning of each year, we finalize our annual R&D plan, including project scope, objectives, and budget, and submit formal project proposals. At year-end, completed projects undergo acceptance and closing procedures, with most R&D cycles lasting approximately one year.

Core R&D Members

Our research and development team is led by four core members. Each of our core R&D team members has extensive working experience in software engineering in reputable technology companies. The following summary sets forth the details of our core research and development members.

Mr. SUN Yuanhao (孫元浩)

Mr. SUN Yuanhao is our executive Director, chairman of the Board and general manager. With over a decade of R&D and technical management experience in core system technologies including distributed computing, operating systems, computer language compilation, and databases, Mr. SUN is primarily responsible for overall strategic planning, business direction and management of our Group. Mr. SUN Yuanhao founded our Group in June 2013 and has served as a Director and chairman of the Board since April 2014. He also currently holds directorships and managerial positions in certain subsidiaries of our Group. Prior to founding our Group, Mr. SUN Yuanhao held a technical management position at Intel Asia Pacific Research and Development Co., Ltd. from July 2003 to May 2013. Since May 2014, he has served as the executive director and general manager of Shanghai Zanxing Investment Management Co., Ltd. Mr. SUN Yuanhao obtained a bachelor's degree and a master's degree in computer science from Nanjing University in July 2000 and June 2003, respectively.

Mr. LV Cheng (呂程)

Mr. LV Cheng is our executive Director and vice president. He is primarily responsible for overall management of R&D and technology of our Group. Mr. Lv joined our Group in July 2013 and has held various positions, including senior software engineer (July 2013 to December 2014), technical director of the infrastructure department (December 2014 to July 2021), and vice president since August 2021. He has served as a Director of our Company since December 2020. Prior to joining our Group, Mr. Lv served as a software engineer at Intel Asia Pacific Research and Development Co., Ltd. from June 2008 to June 2013, where he was involved in the product development and platform-level innovations from Intel product and technology groups. Mr. Lv obtained a bachelor's degree in software engineering from Nanjing University in June 2008. During his study in Nanjing University, he achieved seventh place in the ACM/ICPC competition, demonstrating a solid technical foundation. His years of experience in coding and working with new technologies not only provide strong support for or Group's product development process but also play a crucial role in the selection and cultivation of technical talent.

Mr. LIU Wanggen (劉汪根)

Mr. LIU Wanggen is a vice president of our Group, responsible for the R&D management and product planning of our big data development technology. Prior to joining our Group, he worked as a software engineer at Intel Asia Pacific Research and Development Co., Ltd. where he was involved in the product development and platform level innovations from Intel product and technology groups, from March 2006 to January 2010. From January 2010 to December 2013, he served as a GPU Architect at NVIDIA, where he was responsible for the architecture design and performance optimization of the GPU infrastructure. As a primary inventor, he has participated in the development of multiple domestic and international patents for our Group and has published numerous papers in the field of big data. In 2019, he was awarded the Shanghai High-Tech Achievement Transformation Pioneer Award (上海市高新技術成果轉化先鋒人物). In 2020, he won the Second Prize of the China Energy Research Society Energy Innovation Award (中國能源研究會能源創新獎二等獎). Mr. Liu received a degree of bachelor in electronic information engineering from University of Science and Technology of China in 2006.

Mr. ZHU Junchen (朱珺辰)

Mr. ZHU Junchen is an executive Director and vice president of the R&D department of our Group. Mr. Zhu joined our Group in December 2013. He successively held several positions in our Group since then, including software engineer from December 2013 to November 2015, director of the data engineering department from December 2015 to July 2021, and vice president of our Company since August 2021. He has been appointed as a Director of our Company since April 2017. Prior to joining our Group, Mr. Zhu worked at Intel Asia Pacific Research and Development Co., Ltd. from April 2011 to December 2013, focusing on software engineering. Mr. Zhu obtained a bachelor's degree in computer science and technology from South China University of Technology (華南理工大學) in July 2010 and a master's degree in software engineering from Nanjing University in June 2012. In his current position, Mr. ZHU primarily oversees the technical innovation implementation and validation for our Group's Data Infrastructure and AI Infrastructure product lines. He drives the refinement, validation, and maturation of new technology solutions in the market to ensure the feasibility and market value of technological innovations. Simultaneously, leveraging practical experience in deploying new technologies, he conducts in-depth analyses of the unique advantages and differentiators of products to formulate competitive product solutions. He then promotes large-scale market rollouts to efficiently translate technological innovations into market competitiveness. Additionally, he oversees the standardization of quality benchmarks and scenario-based technical solutions for relevant products. By synthesizing and abstracting customer usage scenarios, he refines standardized technical solutions for product scenarios. Collaborating with product quality and security teams, he enhances scenario-based quality standards for R&D products. This approach elevates product release quality, enriches the product standards knowledge base, ultimately improving product usability and stability while reducing operational maintenance costs.

We have established a fair and incentive-driven remuneration and performance management system to attract and retain our core R&D members. In addition to competitive compensation, we have implemented equity incentive plans to align the long-term interests of key R&D personnel with those of the Company, enabling them to share in our growth and development. We also provide clear career development paths and continuous learning and skill enhancement opportunities, which strengthen the stability and cohesion of our core technical team.

When a core R&D member indicates an intention to leave, we conduct exit interviews jointly through the employee's direct supervisor, next-level supervisor, and the human resources department to understand the reasons for departure. Where appropriate, we seek to address relevant concerns such as workload, job responsibilities, or compensation through reasonable adjustments to encourage continued employment. If the employee nevertheless decides to depart, we have established a series of measures to minimize potential impact, including ensuring business continuity through successor arrangements, enforcing standardized handover procedures, and implementing confidentiality, non-solicitation, and, where applicable, non-compete agreements to safeguard our intellectual property and proprietary information.

SPECIALIST TECHNOLOGY INDUSTRIES AND ACCEPTABLE SECTORS

We believe that our core businesses and major products fall within the Specialist Technology Industry of Next-generation Information Technology under the acceptable sectors as set forth in the table below.

Business Lines			Products	Acceptable Sectors
AI and Big Data Infrastructure Software and Related Technical Services . . .	Infrastructure Software	Big Data and Cloud Infrastructure Platform Software	TDH	AI — (a) Technology and infrastructure enabling AI; Cloud-based services — (b) PaaS
			TDC	AI — (a) Technology and infrastructure enabling AI; Cloud-based services — (c) IaaS
		Distributed Database Software	ArgoDB	AI — (a) Technology and infrastructure enabling AI; Cloud-based services — (b) PaaS
			KunDB	AI — (a) Technology and infrastructure enabling AI; Cloud-based services — (b) PaaS
		Data Development and AI Analytics Tools Software	TDS	AI — (a) Technology and infrastructure enabling AI; Cloud-based services — (b) PaaS
			Sophon	AI — (b) AI-empowered algorithm programming; Cloud-based services — (b) PaaS
			TKH	AI — (b) AI-empowered algorithm programming; Cloud-based services — (b) PaaS
	Technical Services		N/A	AI — (a) Technology and infrastructure enabling AI; AI — (b) AI-empowered algorithm programming; AI — (c) AI solutions; Cloud-based services — (b) PaaS; Cloud-based services — (c) IaaS
Consulting Services . . .			Various Solutions	AI — (c) AI solutions
Other Business			N/A	N/A

AI and Big Data Infrastructure Software and Related Technical Services

Infrastructure Software

Big Data and Cloud Infrastructure Platform Software

- TDH: We believe that TDH falls within the acceptable sector of "AI — (a) Technology and infrastructure enabling AI" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide for New Listing Applicants (the "**Guide**"). TDH supports the full lifecycle of AI model development, including data preparation, training, and inference. It enables efficient processing of diverse data types and provides semantic search, knowledge retrieval, and data indexing capabilities critical for RAG scenarios. By facilitating the construction and integration of enterprise knowledge bases with LLMs, TDH serves as a core infrastructure platform enabling differentiated, real-time AI applications.

  In addition, TDH also falls within the sub-sector of "Cloud-based services — (b) PaaS." TDH offers a cloud-native, modular environment through which enterprises can develop and deploy AI and data applications without managing underlying infrastructure. It supports elastic scaling, resource orchestration, and multi-tenant management, while exposing its analytics and database engines through integrated API. These capabilities align with the definition of PaaS under the Guide, enabling customers to build scalable, data-intensive applications atop a unified platform.

- TDC: We believe that TDC falls within the acceptable sector of "AI — (a) Technology and infrastructure enabling AI" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. TDC provides the core computing and resource orchestration infrastructure required for large-scale AI workloads, including training, inference, and data processing. It supports GPU virtualization and fine-grained scheduling for high-efficiency use of acceleration resources, and allows multiple departments or organizations to operate within isolated environments under a unified infrastructure. By integrating with our upstream data platforms and downstream AI tools, TDC enables full-stack lifecycle support for enterprise AI applications, making it a foundational layer of AI infrastructure.

  In addition, TDC falls within the acceptable sector of "Cloud-based services — (c) IaaS." TDC offers elastic, on-demand provisioning of computing, storage, and network resources through a cloud-native platform, abstracting hardware heterogeneity and allowing users to flexibly scale resources based on workload demands. It enables enterprises to pool infrastructure, decouple applications from physical systems, and operate large-scale distributed environments. TDC also supports upper-layer PaaS functionalities by hosting our full software stack as modular cloud services. These capabilities are consistent with IaaS criteria under the Guide, and reflect TDC's role as an enabling infrastructure for AI and big data applications.

Distributed Database Software

- ArgoDB: We believe that ArgoDB falls within the acceptable sector of "AI — (a) Technology and infrastructure enabling AI" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. ArgoDB supports enterprise AI workloads by providing real-time access to structured and multi-model data, enabling efficient training, inference, and analytics. Its distributed architecture, strong scalability, and hybrid transactional and analytical processing allow high-performance integration with machine learning pipelines and decision-making systems. These features make ArgoDB a foundational data infrastructure layer for deploying reliable and responsive AI applications.

  In addition, we believe that ArgoDB falls within the acceptable sector of "Cloud-based services — (b) PaaS." ArgoDB is deployed as a cloud-native, service-oriented platform that enables customers to develop and run data-intensive applications without managing underlying infrastructure. Through features such as elastic scaling, containerized orchestration, and multi-tenant isolation, ArgoDB delivers database services as configurable modules within enterprise cloud environments. These capabilities align with the definition of PaaS under the Guide, allowing users to build, operate, and scale AI and data applications efficiently in a cloud setting.

- KunDB: We believe that KunDB falls within the acceptable sector of "AI — (a) Technology and infrastructure enabling AI" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. As a distributed database designed for high-concurrency, mission-critical transactional workloads, KunDB provides the foundational infrastructure for AI applications that require accurate, real-time access to enterprise operational data. Its ability to process large volumes of transactions with strong consistency and low latency ensures that downstream AI models receive reliable data inputs for real-time inference, monitoring, and decision support especially in risk management and anti-fraud scenarios. KunDB's support for SQL standards and compatibility with Oracle and MySQL ecosystems, position it as a core data infrastructure layer that enables the secure, efficient operation of enterprise-level AI deployments.

  In addition, we believe that KunDB also falls within the acceptable sector of "Cloud-based services — (b) PaaS." KunDB is designed to operate as a cloud-native, service-oriented database platform, supporting containerized deployment, elastic scaling, and automated lifecycle management. When deployed via our TDC platform, KunDB allows customers to provision database clusters, manage upgrades and backups, and deliver high-performance transactional services without managing the underlying infrastructure. These capabilities align with the definition of PaaS under the Guide, where enterprise users can flexibly develop and operate data-driven applications on top of managed infrastructure services.

Data Development and AI Analytics Tools

- TDS: We believe that TDS falls within the acceptable sector of "AI — (a) Technology and infrastructure enabling AI" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. TDS plays a foundational role in supporting enterprise AI readiness by enabling the large-scale orchestration, integration, and governance of data pipelines used for AI model development, training, and deployment. It allows enterprises to efficiently process structured and unstructured data, trace metadata lineage, and ensure data quality across environments. These capabilities form the basis for trustworthy and high-quality data inputs required by downstream AI workloads, including model training and inference.

  In addition, we believe that TDS also falls within the acceptable sector of "Cloud-based services — (b) PaaS." TDS is delivered via cloud infrastructure and abstracts the complexity of underlying distributed computing and storage environments, enabling data engineers and analysts to carry out sophisticated development tasks through a low-code, browser-accessible interface or API. The platform supports elastic scheduling, multi-tenant isolation, and lifecycle management of data services, which are features aligned with core PaaS characteristics. TDS enables customers to develop and operate full-fledged data workflows and analytics services in containerized or hybrid cloud environments, without needing to manage infrastructure-level components directly.

- Sophon: We believe that Sophon falls within the acceptable sub-sector of "AI — (b) AI-empowered algorithm programming" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. Sophon provides the foundational infrastructure for enterprise AI development, including a full set of AI-empowered tools to create and deploy algorithms and models of image recognition, NLP, statistical machine learning, deep learning, generative AI and LLMs. The model training module supports pre-training and post-training of generative AI models, as well as deep learning algorithms. The corpus module supports a set of NLP algorithms to pre-process the documents and generate the training dataset to pre-train or fine-tune language models. The agent development module supports creation, deployment and evaluation of AI applications with a set of AI models. These capabilities directly falls into the AI-empowered algorithms under this sub-sector.

  In addition, we believe that Sophon falls within the acceptable sub-sector of "Cloud-based services — (b) PaaS." Sophon is delivered via a modular, microservices-based architecture and provides users with a cloud-native environment to build, train, and deploy AI models without managing underlying infrastructure. It supports resource scheduling, version control, model publishing, and service invocation, allowing users to conduct AI-related development and operations through configurable interfaces and APIs. These characteristics — a hosted platform for application development and deployment — align with the definition of a PaaS under the Guide.

- TKH: We believe that TKH falls within the acceptable sub-sector of "AI — (b) AI-empowered algorithm programming" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. TKH enables enterprise deployment of AI by providing NLP algorithms, knowledge graph algorithms, image recognition (including OCR), audio recognition, LLMs as well as multi-modal visual language models to organize and retrieve knowledge across structured and unstructured data sources (including tables, text documents, images, audios, videos, etc.). These functions are essential for grounding LLMs with enterprise-specific knowledge and enabling domain-adapted AI applications.

  We also believe that TKH falls within the sub-sector of "Cloud-based services — (b) PaaS." TKH is delivered as a service-oriented, modular platform that allows enterprise users to build and operate semantic intelligence applications in a cloud-native environment. It abstracts infrastructure complexity and provides APIs, orchestration tools, and runtime environments to support development and management of AI-enabled services. These features are consistent with the PaaS definition under the Guide.

Technical Services

We believe that our technical services fall within five subcategories under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. These include: (i) AI — (a) Technology and infrastructure enabling AI, (ii) AI — (b) AI-empowered algorithm programming, (iii) AI — (c) AI solutions, (iv) Cloud-based services — (b) PaaS, and (v) Cloud-based services — (c) IaaS. Technical services are delivered in connection with all three core product categories within our infrastructure software business, namely, big data and cloud infrastructure platform software (e.g., TDH, TDC), distributed database software (e.g., ArgoDB, KunDB), and data development and AI analytics tools software (e.g., TDS, Sophon, TKH). These services support the full lifecycle of customer adoption, including cloud deployment, system orchestration, algorithm pipeline integration, and AI application delivery. By enabling enterprise and government clients to operationalize our software platforms in cloud-native environments, configure MLOps/LLMOps toolchains, and achieve high-performance, scalable AI solutions, our technical services constitute a functional extension of our Specialist Technology Products and satisfy the sector definitions under the Guide.

Consulting Services

We believe that its Data Application Solutions fall within the acceptable subcategory of "AI — (c) AI solutions" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. These solutions are designed to deliver intelligent, domain-specific applications that embed AI capabilities into enterprise workflows across industries such as finance, transportation, and energy. Built on our proprietary platforms, they provide pre-configured modules for intelligent analytics, real-time decision-making, risk monitoring, and operational automation. Each solution is tailored to solve specific business problems by integrating structured data, algorithmic logic, and contextual insights, often leveraging embedded AI models and decision engines. As such, these solutions represent end-user-facing AI applications that drive measurable improvements in business efficiency and accuracy, which are in line with the definition of AI solutions under the Guide.

Based on the aforesaid, we believe that our core businesses and major products fall within the Specialist Technology Industry of Next-generation Information Technology under the relevant acceptable sectors as set forth in the table above. Our industry consultant Frost & Sullivan confirms, and our Directors are of the view, that based on the above, our Company meets the definition of a Specialist Technology Company under Chapter 18C of the Listing Rules.

Alignment with the Definitions of PaaS and IaaS

Our customers in finance, government, energy, transportation, telecommunications and manufacturing rely on cloud computing as the prevailing model for deploying and managing IT resources. In China, these customers generally prefer private cloud deployment, either on-premise in their own data centers or externally hosted by third-party providers but dedicated to their use. In such models, customers provide infrastructure-related assets including physical servers, networks and storage, while we deliver AI infrastructure software, deployment and technical services that enable them to operate cloud-native environments. Although we do not own physical servers or related hardware infrastructure, our products and services enable customers to access and use computing power, storage, networking resources, and development tools through private-cloud environments in an as-a-service model. Customers supply the underlying hardware, while our software virtualizes, orchestrates and manages such resources, thereby allowing them to operate AI and data workloads in a cloud-native manner.

Cloud computing is widely recognized, including in the PRC Ministry of Industry and Information Technology's *Cloud Computing White Paper* and the U.S. National Institute of Standards and Technology ("**NIST**") definition of cloud computing, as having five essential features: resource pooling, rapid elasticity, measured service, on-demand self-service and broad network access. Our products and services collectively deliver the key characteristics of cloud computing through an integrated technology framework centered on TDC. TDC serves as the unified platform for deploying, managing, and orchestrating our software portfolio, virtualizing and managing customers' CPUs, GPUs, memory, networks, and storage resources within their private cloud environments (IaaS-level capability). On this foundation, TDC provisions and manages our core software products, including TDH, ArgoDB, KunDB, TDS, Sophon, and TKH, as platforms that provide distributed databases, data development tools, and AI model management frameworks to support data analytics and AI application development (PaaS-level functionality). Through this layered structure, our technology enables customers to efficiently utilize computing and storage resources while developing, deploying, and scaling data and AI applications in a cloud-native manner.

Certain customers also purchase TDC on a standalone basis to centrally manage the hardware resources used by their own third-party databases, AI tools or application systems. In these situations, TDC operates purely as an infrastructure management layer that optimizes resource utilization, improves workload scheduling and provides operational isolation, without requiring customers to acquire our other software products. Taken together, TDC corresponds to the IaaS category, while our TDH, ArgoDB, KunDB, TDS, Sophon and TKH products correspond to PaaS. Please refer to the diagram in "Business — Our Core Technologies." Collectively, these products enable customers to access and use computing, storage, network resources, development tools and application environments within private cloud settings in an as-a-service model, which is consistent with the definition of a cloud computing company under the Guide.

PATH TO PROFITABILITY

We have formulated a clear and actionable strategy to achieve sustainable profitability by capitalizing on favorable market trends, driving revenue growth through targeted customer and market expansion, exercising disciplined cost management, and progressively narrowing our net loss.

Favorable Industry Outlook

We operate in China's rapidly expanding AI infrastructure software market, which is expected to experience robust growth in the coming years, driven by accelerated enterprise adoption of AI technologies, digital transformation, and the rollout of large language models, cloud-native platforms, and industry-specific AI solutions. Against this backdrop, we believe that increasing demand for high-performance, scalable, and secure AI infrastructure software will provide significant opportunities to expand our customer base, increase product adoption, and enhance monetization.

Our revenue growth is supported by the strong expansion of the AI infrastructure software market in China. According to Frost & Sullivan, the market size of AI infrastructure software market, in terms of revenue, has grown from RMB7.5 billion in 2021 to RMB16.5 billion in 2025, representing a CAGR of 21.8% from 2021 to 2025. Looking forward, the market size of AI infrastructure software market in China, in terms of revenue, is expected to reach RMB55.8 billion in 2030 with a CAGR of 28.1% from 2026 to 2030, providing a solid tailwind for our business.

Driving Revenue Growth

We have experienced net losses and net operating cash outflows during the Track Record Period primarily due to our continued investment in research and development, talent recruitment and market expansion. These investments were necessary to build our core technological capabilities, enrich our product portfolio, and establish long-term customer relationships, laying the foundation for sustainable growth.

We have demonstrated a recovery in revenue momentum since the second half of 2024, supported by our diversification into new industry verticals such as finance, energy, transportation, telecommunications, and manufacturing, which mitigated the temporary slowdown in government-related projects. Our revenue increased by 20.6% from RMB370.8 million in 2024 to RMB447.1 million in 2025. Furthermore, our revenue increased by 26.5% from RMB64.2 million for the three months ended March 31, 2025 to RMB81.2 million for the three months ended March 31, 2026.

Growing Customer Base

We have built a large, diversified, and rapidly expanding customer base spanning a wide range of verticals. As of March 31, 2026, we had served over 1,800 customers across more than ten core sectors of the national economy, including finance, government, energy, healthcare, transportation, and manufacturing etc. Our customer base continued to expand. In particular, the number of customers increased from 521 in 2024 to 558 in 2025 and from 243 in the three months ended March 31, 2025 to 310 in the three months ended March 31, 2026. For the purpose of our internal customer management, high-value customers generally refer to strategically important customers that typically have annual order amounts of over RMB10.0 million. Examples of such customers include a leading nationwide integrated chemical industry group and a nationwide large-scale financial payment service institution. Revenue from such high-value customers decreased by approximately 4% in 2024, increased by approximately 24% in 2025, reflecting the recovery of customer demand and our improved penetration of large enterprise customers. We did not generate any revenue from such high-value customers in the first quarter of 2026, primarily because (i) our high-value customers are mainly from industries such as finance, government, and energy, where budgets and procurement plans are typically established and internal approval processes completed in the first half of the year, while project acceptance and settlement are primarily concentrated in the fourth quarter. Since our revenue is primarily recognized after project acceptance, revenue recognition is also concentrated in the fourth quarter; and (ii) for revenue settled on a person-day or person-month basis, amounts accumulate gradually over time, making it difficult to reach annual order amounts of over RMB10.0 million in the first quarter. We have developed the specialized management approach to enhance our relationship with our existing high-value customers, who significantly contribute to our sustained revenue and profit. The dedicated management team for high-value customers shall conduct mandatory monthly reviews and submit business reports to monitor performance and risks, while also being responsible for ensuring the quality of project delivery. In addition to strengthening long-term relationships with existing customers, we are also consistently expanding our client portfolio.

We employ various methods to acquire customers, such as organizing industry exchange meetings and conducting regular client visits. We will also invite customers to technical seminars hosted by us and promptly share the latest product and training updates with them. Initiatives such as dedicated account management, customized solution development, and proactive after-sales support have enhanced customer retention and recurring engagements. See "Business — Development Strategies — Expand Customer Base, Deepen Strategic Partnerships, and Strengthen Market Presence."

Strategic Technology Partnerships

We are strengthening our long-term competitiveness through deeper strategic technology partnerships that enhance both our product capabilities and our market reach. In particular, we have recently entered into a three-year (August 11, 2025 to August 10, 2028) strategic cooperation framework with a leading domestic high-end processor designer with both central processing unit (CPU) and data computing unit (DCU) research and development capabilities. The processor designer, whose shares are listed on the STAR Market of the Shanghai Stock Exchange and which recorded revenue of over RMB14 billion in 2025, is one of only a few integrated circuit design companies in China possessing both such capabilities, focusing on the research and development, design and sale of high-end processor chips used in servers, workstations and other computing and storage devices, with its products widely used in industries such as telecommunications, finance and the internet. This partnership enables the joint development of optimized big data and AI infrastructure solutions that integrate our software with the processor designer's high-performance processors. Through this partnership, both parties mutually benefit from each other's existing customer networks and combined technical and marketing capabilities. By capitalizing on each party's respective customer ecosystems, such as leveraging our technical influence in the financial sector to promote the processor designer's products, both parties can gain market growth. Further, through our product optimization of the processor designer's products, this partnership can result in products with better performance, striving to achieve stronger competitiveness within the industry. Although the quantitative impact of this collaboration has yet to be reflected in our financial results, it is expected to support long-term business expansion by improving the performance and cost-efficiency of our products, enhancing customer adoption across sectors such as finance, transportation and government, and enabling us to offer integrated hardware-and-software solutions that strengthen our competitiveness against major industry peers. In addition, the partnership creates an additional sales channel through joint market engagement, which may improve our project win rate and deepen customer penetration over time. The strategic cooperation framework primarily sets out the general principles of cooperation, including joint technology innovation and joint sales arrangements, and contemplates that the parties may enter into separate agreements for specific cooperation projects. As of the Latest Practicable Date, the framework agreement does not contain specific provisions governing the ownership of intellectual property arising from such cooperation, which will be subject to further negotiation and agreement between the parties on a project-by-project basis.

In terms of monetization, this collaboration is expected to contribute to our revenue through enhanced product competitiveness and joint market expansion. We have begun to realize commercial opportunities through cooperation in key sectors such as finance, transportation and government. For instance, as of the Latest Practicable Date, we have signed three sales agreements in connection with software licensing and integrated appliances with three customers in September and October 2025 and January 2026, respectively, which are introduced through the partner's channel with an aggregate contract amount of RMB2.2 million. Additional projects and orders arising from this collaboration are under negotiation or implementation. In addition, we are in discussions with the partner regarding further commercial arrangements, leveraging the partner's sales channels and customer base to support our market expansion.

These initiatives, together with the natural concentration of revenue recognition in the fourth quarter each year, are expected to support steady revenue growth, broader market coverage and greater operating scale over the forecast period. Our business follows a seasonality pattern commonly seen in the enterprise software and digital infrastructure industry in China, where government and large-enterprise customers typically complete project acceptance and payment procedures toward the end of the fiscal year following their annual budget and procurement cycles. According to Frost & Sullivan, this pattern is consistent across the market, and our historical results likewise reflect a higher proportion of revenue being recognized in the fourth quarter. With improved execution, an expanding customer base and a healthy pipeline of contracted projects scheduled for delivery, we expect project implementation and acceptance to accelerate in the fourth quarter, contributing to stronger full-year revenue momentum. See "Business — Development Strategies — Expand and Enrich Product and Solution Offerings to Drive Market Share Growth."

Expanding Overseas Market

In addition, expanding into the Middle East and Southeast Asia offers us a pathway to break through the domestic market's growth constraints while capturing multidimensional opportunities in policy support, market potential, and capital investment across these regions. From an industry perspective, governments worldwide have introduced favorable policies to promote the development of AI infrastructure software. In Southeast Asia, Malaysia has launched the "National AI Roadmap," and Thailand has rolled out the "National AI Strategy and Ethics Guidelines," both positioning AI as a core driver of economic growth. In the Middle East, Saudi Arabia has initiated the "Beyond Plan," with plans to invest up to USD100 billion in AI projects. These policy-driven opportunities not only create natural application scenarios for AI infrastructure software but also directly stimulate growing demand for related products in overseas markets.

According to Frost & Sullivan, the overseas AI infrastructure software market is expected to grow from USD15.7 billion in 2026 to USD38.9 billion in 2030, representing a CAGR of 25.5%, with the Middle East and Southeast Asia among the faster-growing regions. See "Industry Overview — Overview of Overseas AI Infrastructure Software Market." Leveraging this growth, we have formulated a targeted overseas expansion plan focusing on key industries such as financial services, telecommunications, transportation and government sectors in Southeast Asia and the Middle East, where we have identified a pipeline of potential customers and business opportunities. Our go-to-market strategy combines direct sales in selected markets such as Singapore with a partner-led approach in other regions, enabling us to leverage local channels and resources to accelerate market penetration. We believe our products are well-positioned for overseas deployment due to their strong performance, cost efficiency and proven large-scale applications in China, and can be effectively localized to meet regulatory and customer requirements in target markets.

Leveraging the growth potential of the global AI infrastructure software market, we intend to progressively expand our presence in overseas markets. Our infrastructure software products are largely standardized in design and can be adapted, with appropriate localization and configuration, for use across different industries and jurisdictions. To support our international expansion, we have established subsidiaries in Hong Kong, Singapore and Canada as regional operational hubs. We have commenced commercial deployment of selected products, including TDH, TKH and Sophon, in markets such as Singapore and the Middle East, and are testing additional products for potential rollout in other jurisdictions. Our overseas product matrix is expected to continue to focus on our core product lines, including TDH, TDC, ArgoDB, TDS, Sophon and TKH. In addition to private deployment, we also plan to introduce cloud-based service offerings in selected overseas markets, which will require cloud adaptation upgrades to certain existing product functions and architecture. We expect these initiatives to gradually broaden our overseas customer base, diversify our revenue sources and support long-term business growth. See "Business — Development Strategies —

Expand Global Footprint and Increase International Market Penetration.” The size of cloud-based AI infrastructure software market in the Middle East and Southeast Asia is expected to grow from USD1.0 billion in 2026 to USD2.8 billion in 2030, representing a CAGR of 29.4%. The competitive landscape of the cloud-based AI infrastructure software market in the Middle East and Southeast Asia remains relatively fragmented. Products launched overseas by Chinese providers are generally enhancements of existing products developed for the domestic market, incorporating upgrades to product functionalities and architectures rather than being entirely new offerings. As such, the associated development and production costs do not differ significantly from their existing product offerings. When Chinese providers expand into the Middle East and Southeast Asia, product pricing may increase moderately due to factors such as enhanced service requirements and differences in customer price acceptance, but generally remains within approximately 30% above domestic pricing levels, according to Frost & Sullivan.

Economies of Scale

Our gross profit increased from RMB178.7 million in 2024 to RMB236.0 million in 2025, and increased by 43.4% from RMB23.5 million for the three months ended March 31, 2025 to RMB33.6 million for the three months ended March 31, 2026. Our gross profit margin increased from 48.2% in 2024 to 52.8% in 2025, and from 36.5% for the three months ended March 31, 2025 to 41.4% for the three months ended March 31, 2026. Our gross profit and gross profit margin have shown steady quarter-on-quarter improvement in 2025, reflecting both enhanced project execution and a healthier business mix. In recent periods, a larger share of our revenue has been derived from higher-margin software products and maintenance services within our technical services segment, which has contributed meaningfully to margin expansion. We expect this positive trend to continue as we further increase the contribution of our core AI and big data infrastructure software, deepen customer adoption of our maintenance and recurring service offerings, and pursue more standardized and scalable solution delivery.

At the same time, we have maintained disciplined cost management. Our administrative, selling and research and development expenses, over 50% of which relating to personnel costs, remained broadly stable in absolute terms during the Track Record Period. As revenue grows and operating efficiency improves, while the absolute amount of these expenses is expected to slightly increase, these expenses are expected to decline as a percentage of revenue, allowing us to capture greater operating leverage. In 2025, our administrative expenses decreased as a percentage of revenue from 32.0% in 2024 to 25.5%, and from 48.4% for the three months ended March 31, 2025 to 27.6% for the three months ended March 31, 2026; selling expenses decreased from 55.0% in 2024 to 35.7% in 2025, and from 57.2% for the three months ended March 31, 2025 to 36.4% for the three months ended March 31, 2026; and research and development expenses decreased from 61.3% or RMB227.3 million in 2024 to 45.6% or RMB204.1 million in 2025, and from 75.9% or RMB48.8 million for the three months ended March 31, 2025 to 56.8% or RMB46.2 million for the three months ended March 31, 2026. The combination of margin uplift from an optimized revenue mix and a more efficient cost structure provides a clear pathway for sustained improvement in profitability. We expect our R&D initiatives to increase our R&D expenditure in absolute amount in the near term as we continue to invest in technology innovation, product iteration and cloud adaptation. Such continued investment may affect our profitability in the short term. However, as our revenue scale grows and we further benefit from economies of scale and operating leverage, we expect R&D expenditure as a percentage of revenue to gradually decrease over time, which is expected to support our path to profitability.

Optimization of Working Capital

We have strengthened our receivables collection and liquidity management through more coordinated efforts across our sales, delivery, business operation, finance and legal teams. Since 2025, cash-collection performance has been incorporated into the key performance indicators of the sales, delivery and business operation teams, and we now track payment progress on a weekly basis. Invoices are issued promptly upon delivery to reduce billing delays, and overdue receivables are followed up through structured reminders and, where necessary, legal action. These measures, together with our ongoing customer-engagement efforts, have contributed to a gradual improvement in our cash-collection efficiency and are expected to further enhance receivable turnover going forward.

At the same time, we have aligned supplier payment arrangements with customer collection schedules, typically allowing for an additional buffer period to ensure inflows precede outflows, thereby improving our working capital cycle without affecting supplier relationships. We have also maintained stable banking relationships and access to credit facilities to support seasonal working capital needs and provide financial flexibility. With strengthened cash-collection discipline and a more predictable cash-flow profile, our overall liquidity position has improved, supporting our pathway toward achieving sustained net operating cash inflows. As of March 31, 2026, we had cash and cash equivalents of RMB242.9 million and financial assets at FVTPL of RMB90.5 million, and as of July 31, 2026, we had unutilized banking facilities of RMB222.7 million.

Narrowing Losses and Achieving Profitability

We expect to narrow our net losses and transition toward profitability through sustained revenue growth, continued gross margin improvement and increasing operating leverage. Our commercialization strategy will focus on deepening the adoption of our core AI and big data infrastructure products across a broader set of industry verticals, expanding higher-margin software and maintenance service revenues, and strengthening distribution through strategic technology partnerships and ecosystem collaborations. At the same time, we are maintaining rigorous cost discipline across administrative, selling and research and development functions, and implementing coordinated working capital measures that enhance cash collection efficiency and liquidity management. These initiatives collectively support a more scalable operating model and provide clearer visibility over our path to achieving net operating cash inflows.

PRICING

We establish and update our product and service pricing structure annually based on our product launches and market analysis. For software products, our pricing system takes into account various factors such as purchase volume, industry sector, customer strategic status, customer budget, sales channel, bidding (if applicable), and market competition. For software product related services, we consider a range of factors such as software purchase volume, service implementation costs, customer budget, and market competition. For standalone technical services and application solutions, our pricing varies depending on the specific type of service: (i) for paid maintenance services, our pricing is based on a certain percentage of the software price, and (ii) for non-maintenance technical services and application solutions, our pricing is typically determined by considering factors such as project implementation difficulty, overall investment, customer budget and importance, market competition, and the impact on software product sales, combined with the principle of cost-plus pricing. Currently, we sell software products to customers under a perpetual licensing model, charging customers based on the number of software products licenses according to customer and project requirements. As we expand into overseas markets, we may explore subscription-based pricing models.

SALES AND MARKETING

Sales

We employ two distinct sales models tailored to different customer types as follows:

- *Direct sales model*. We generally enter into contracts directly with end-users and delivers our products, services and solutions without third party intermediaries. Our sales team focuses on acquiring new customers and addressing the evolving needs of existing clients and both our headquarter and local subsidiaries possess robust sales capabilities and comprehensive service support. Moreover, we may partner with SIs and ISVs, who mainly serve medium-to-large end-users, to sell our products, services and solutions. These business partners have deep industry expertise, often offer their own IT products, and collaborate with us to develop tailored solutions. They procure our products based on end-user demand, integrating them with their own offerings or third-party solutions (where applicable) for deployment.

- *Distributorship model*. We enter into distribution agreements that outline performance targets (e.g., sales quotas, market share, or product volume) with distributors, typically experienced software promotion partners. Distributors generally resell our products to end-users, SIs and ISVs.

Our Direct Sales Model

Our sales cycle primarily consists of initial communications with users, project evaluation, bidding (if applicable) and design, proof of concept and contracts execution. As we primarily focus on providing services to enterprise-level users, we may spend significant time on communications with users, project evaluation and design, thereby resulting in longer sales cycles. We leverage both our in-house sales team as well as ISVs and SIs to promote our products, services and solutions. We have established a professional in-house sales team. In our ongoing efforts to enhance user satisfaction and improve service quality, we maintain a dedicated technical service team that is focused on real-time problem-solving with the ultimate goal of increasing user experience and stickiness. In addition, we also gather feedback on how to improve our products, services and solutions and respond to user suggestions. Our employees have deep knowledge of the industries and users that they are responsible for. Our in-house sales team works closely with our product team to ensure that they can propose the best products, services and solutions to address the pain points faced by market participants in the relevant industry verticals. To encourage and incentivize our in-house sales team, we have designed a compensation structure that includes a fixed component as well as a performance-based component. We set specific performance targets for each team member. We evaluate such employee's performance every year and pay out performance-based compensation accordingly.

We also work closely with third-party partners, which primarily consist of SIs and ISVs, and leverage their understanding of end users' demands, thereby developing tailored marketing strategies. For details, see "— Customers and Customer Support" in this section.

We employ various methods to acquire and maintain customers, such as organizing industry exchange meetings and conducting regular client visits. We will also invite customers to technical seminars hosted by us and promptly share the latest product and training updates with them.

Through our ERP system, our business operations staff categorize customers based on their geographic location and industry during the initial data entry phase, and assign them to the appropriate sales teams for follow-up. The allocation of potential high-value clients is determined quantitatively, taking into account their production output and estimated gross profit. For existing end-users with assigned sales representatives, direct sales are prioritized. Quotations and authorizations are uniformly managed by the direct sales team. If a selected channel partner wins a bid, the salesperson supporting that channel may split the credit with the assigned sales representative, with the total performance credit amounting to 100%. If the channel partner exclusively handles finance business, their clients must be transferred to the corresponding direct sales team.

Customers are classified into four categories — key accounts, major accounts, general accounts, and others — based on their revenue, industry standing, and market segment ranking. For the first three categories, all clients are considered company-wide resources. SIs and ISVs are encouraged to collaborate, and they may share performance credits with the direct sales team, subject to filing with the business operations department. For other customers, SIs and ISVs work alongside us as business partners to secure orders.

Sales representatives responsible for assigned clients are required to maintain regular follow-up and visit records. Internally, customer management metrics categorize clients into key accounts, major accounts, general accounts, and others (including dormant and lost clients), with different release rules applied to each level. Our business operations department maintains customer master data, including client names, assigned sales representatives, customer tiers, industries, locations, and credit ratings. Any changes to client names or invoicing information must be supported by relevant documents and submitted to the business operations department for updates. Additionally, the department oversees customer satisfaction surveys and feedback collection, sharing the results with all relevant internal stakeholders. If any unresolved issues or dissatisfied feedback is identified, the department will follow up with the responsible parties until the matters are fully resolved.

The salient terms and conditions of a typical agreement with our direct customers are set out below:

- ***Deliverables***: For sales of our software products and solutions, we typically offer non-exclusive licenses for the use of our products and solutions as well as maintenance services related to our products and solutions. For application development and other services, we typically develop customized applications based on the customer's specification.

- ***Minimum purchase amount***: Not specified.

- ***Pricing***: We typically charge customers on a project basis, the pricing of which is either specified in the agreement entered into with the direct customer or the winning bid price specified in the tender documents with our end customers.

- ***Payment schedule***: We are typically entitled to (i) an upfront payment or initiation payment within a specified time period following the effectiveness of the relevant agreements, and (ii) typically one or more milestone payments when the relevant projects reach certain development milestones or events specified in the relevant agreements. Milestone event refers to key progress points as specified in the contract, which primarily include events such as the formal written approval of the project and the termination of the technical service after final acceptance. The upfront or initiation payment constitutes 30%-50% of the total contract value, and the milestone payments constitutes 50%-70% of the total contract value.

- ***Customer support***: We typically provide the standard technical support for one year after the sale of our products and solutions. The level and scope of such support are subject to our standard customer support terms. We may also provide additional fee-based services based on customers' requirements.

- ***Ownership***: Unless otherwise specified in the agreement, all intellectual property rights arising from the process of performing the agreement and the relevant project development belong to us. All intellectual property rights relating to the products and solutions that we deliver under the agreement, including but not limited to copyrights, patents ownership of the proprietary technologies and trademarks, belong to us.

- ***Product return***: Generally not allowed.

- ***Product warranty***: We typically offer a one-year free product warranty of our products and solutions after users' acceptance.

  Upon customers' needs and payments of additional service fees, we may also offer an extended warranty period or additional maintenance services, in accordance with the terms specified in the agreements.

- ***Confidentiality***: Each party shall keep confidential the trade secrets, technologies and proprietary rights of the other party.

- ***Termination***: The agreements may be terminated (i) upon mutual consent of both parties; (ii) in the event of a force majeure; and (iii) by the non-defaulting party in the event of a material breach.

- ***Dispute resolution***: In the event of any dispute related to the enforcement of any agreement during our agreement term, both parties shall negotiate amicably.

There are no material differences in key terms of sales agreements entered into between us with our end users compared to those with SIs and ISVs. During the Track Record Period, there were early termination of 23 contracts due to the related projects being postponed or canceled. As such early terminations were mutually agreed upon, no notice period was required. In addition, since these contracts had not been performed, no project losses were incurred.

During the Track Record Period, there were 16 loss-making projects, primarily due to (i) our strategic investments in projects to enhance our relationships with key customers, (ii) our expanded work scope during the project execution to meet customers' demands, and (iii) our advance investments outpaced the actual revenue generated. In response to the latter two causes, we have strengthened management controls in both project quoting and project delivery processes. The aggregate revenue from these loss-making projects accounted for approximately 2.3% of our total revenue during the Track Record Period, and the total loss incurred from these projects amounted to approximately RMB8.6 million, representing a relatively small impact on our overall financial performance. The majority of these loss-making projects were related to our consulting services, which primarily involves pre-project consulting and solution design services. These services typically generate relatively lower service fees but are undertaken to support customers' planning and digital transformation initiatives and often serve as a channel to facilitate subsequent sales of our AI and big data infrastructure software products and related services.

During the Track Record Period, for the amount of revenue attributable to our successful tendering/bidding, see "Financial Information — Revenue — Revenue by Sales Model."

Our Distributorship Model

During the Track Record Period, we also sold and marketed our software products, services and solutions through third-party professional distributors, who contributed to approximately 6.0%, 6.3%, 2.5% and 7.0% of our total revenue in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. After purchasing the products from us, our distributors may at their discretion perform onward sales to their respective customers. Our distributors are primarily engaged in distribution and sales of software products.

Distributor Management

We consider a number of factors in selecting distributors, including their market coverage and channel capabilities, service and support capabilities, brand and reputation in the industry, their overall business management and financial performance. Typically, a distributor enters into a distribution agreement, which sets three sales target level, namely certified, silver-level and gold-level, with each level corresponding to various promised performance tiers. If a distributor achieves the promised performance as agreed-upon in the distribution agreement, we shall calculate and provide the rebate according to the corresponding tier rebate rules. Our rigorous quality control procedures ensure that our products are properly examined before being sold. As a result, we did not experience any material product return during the Track Record Period. We typically offer a one-year free product warranty for our products and solutions after users' acceptance. We may also provide additional fee-based services based on customers' requirements. As advised by our Industry Consultant, we believe our distributorship model is in line with industry norm.

We do not maintain a "buy-out" relationship with our distributors as we generally recognize revenue when our end customers, namely the customers of SIs and ISVs, confirm acceptance of our products, services and solutions. Therefore, our Directors believe that there was no channel stuffing issue during the Track Record Period. We are able to supervise the market operations of our distributors, including product promotion, maintenance of our reputation, and orderly competition among our distributors. Our distributors shall actively cooperate with us in conducting supervision and inspection operations and proactively provide relevant information. In addition, along with the sales of software products, we provide after-sales technical support to downstream customers. Additionally, our distributors are authorized to market and resell our products, services and solutions solely within their designated business segments and geographic territories, as pre-approved in written form by us, and our distributors shall register sales of licensed software products with us, ensuring the normal operation and orderly competition among our distributors. We maintain an internal policy to control the numbers of distributors in the designated business segments and geographic territories, and we also conduct regular oversight of our distributors' operations, including the competition ecosystem. Our Directors believe that these measures effectively prevented cannibalization risks during the Track Record Period.

We have established a comprehensive compliance framework to govern the conduct of our business partners, including distributors. In cases where partners engage in prohibited activities, we will impose appropriate sanctions based on the severity of the violation. These measures may include termination of cooperation, imposition of financial penalties, downgrading of partner ratings, or issuance of formal warnings. Violations by our business partners are categorized as follows: (i) improper marketing practices, including but not limited to defamatory statements about the company, misrepresentation of qualifications, or unauthorized use of corporate identity; (ii) non-compliant sales activities, such as circumventing authorized sales channels, submitting fraudulent low quotes, violating sales territory agreements, or unauthorized e-commerce platform sales; (iii) other serious violations, including inventory hoarding, deliberate falsification of performance data, tampering with equipment, or bribing company employees.

In addition, certain of our distributors operate in a dual capacity: as direct end-users of our products, services and solutions and as authorized distributors. This arrangement stems from these customers' operational needs to utilize our products, services and solutions internally and other commercial considerations. Therefore, such customers also entered into distribution agreements with us, pursuant to which they are authorized by us to distribute our products, services and solutions to their downstream customers. During the Track Record Period, the sales to distributors who are concurrently direct end-users amounted to RMB1.1 million, RMB1.9 million, nil and nil, respectively, and no rebates were paid to such distributors during the Track Record Period, primarily because their sales performance failed to meet the rebate eligibility criteria.

To the best of our knowledge, all of our distributors are Independent Third Parties. The distributors are not connected to any of the Company, its subsidiaries, their shareholders, directors, senior management or any of their respective associates. To our best knowledge, besides the ordinary course distribution arrangement with us, there is no other relationship between the distributors and each of our Company, our subsidiaries, our shareholders, directors or senior management or any of their respective associates.

The below table sets forth the movement of our distributors during the Track Record Period.

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Number of distributors at the beginning of the period	90	139	131	105
Number of terminated distributors for the period . .	47	71	91	27
Net increase (or decrease) in number of distributors for the period	49	(8)	(26)	(25)
Number of distributors at the end of the period	139	131	105	80

In general, we maintain good business relationship with our current distributors during the Track Record Period. In 2023, 2024, 2025 and the three months ended March 31, 2026, we engaged 96, 63, 65 and two new distributors respectively. We stringently review our business relationship with distributors through periodic assessment. In 2023, 2024, 2025 and the three months ended March 31, 2026, we terminated business relationship with 47, 71, 91 and 27 distributors, respectively, primarily due to the expiration of the distribution agreements. The fluctuation in the number of distributors during the Track Record Period is primarily in relation to the number of distributors who decide to renew the distribution agreements with us. As the distributor role represents only one form of collaboration within our broader business partnership framework, the cessation of their distributor status did not result in any material impact on our business and financial results.

Through our distribution channels, we are able to expand our product market and enhance the visibility of our products and brand. Going forward, we aim to attract and establish long-term business relationship with new distributors by expanding our sales and marketing team, participating in industry exhibitions, strengthening our brand promotion, providing sufficient technical support and after-sales services, and collaborating with top market players in the industry. We also plan to improve the abilities of our in-house sales and marketing team members. In addition, we aim to improve our capabilities to provide high-performance products which helps improve customer stickiness.

Subsequent Sales of Our Products to Downstream Customers

Our major distributors primarily sell our products to their respective customers from different verticals with our prior consent. The customers of these industries primarily comprise our major downstream customers. These downstream customers purchase our products for facilitating their business operations and management.

According to the distribution agreements entered into with our distributors, our distributors are obliged to provide evidence and information to verify the authenticity of their procurement requirements.

Key Terms of Distribution Agreements

We have entered into typical framework distribution agreements with our distributor customers. The key terms and conditions of our framework distribution agreements with our distributor customers are summarized as follows:

- ***Term***: We typically enter into a one-year distribution agreement with our distributor customer. Our distributor customer has priority renewal rights if it meets annual sales targets and complies with all the terms specified in the distribution agreement.

- ***Sales target***: We typically set various sales targets for different levels of distributor customers. Specifically, the first level ranges from RMB0.5 million to RMB1.0 million, the second level ranges from RMB1.0 million to RMB2.0 million, and the third level encompasses above RMB2.0 million.

- ***Pricing***: The prices of our products shall be in strict accordance with our nationally standardized tiered pricing system.

- ***Business model:*** The distributor customers buy and resell our products to downstream customers who need to be acknowledged and approved by us in advance, and the distributor customers pay us for the required products in the agreed manner. In addition, we shall rebate our distributors once their sales achieved the performance metrics set forth in the distributor agreements.

- ***Obligations of each party:*** We ensure that our software products fully comply with the national or industry standards. We are obligated to provide our distributors with business training, technical guidance, marketing consulting, and other services necessary for them to conduct their business operations, and to assist our distributors in expanding their markets. We could conduct regular oversight of our distributors' operations, including the competition ecosystem, promotional activities and brand stewardship. Our distributors may conduct lawful commercial activities under the name of "Transwarp Certified/Silver-level/Gold-level Distributor Partner." Our distributors shall actively develop the market within the authorized region or field/industry and gradually increase the market share of our products in the authorized region or field/industry and shall register sales of licensed software products with us.

- ***Ownership***: Unless otherwise specified in the agreement, all intellectual property rights arising from the process of performing the agreement and the relevant project development belong to us. All intellectual property rights relating to the products and solutions that we deliver under the agreement, including but not limited to copyrights, patents ownership of the proprietary technologies and trademarks, belong to us.

- ***Product return***: If a distributor processes product returns, the returned amount shall be excluded from sales performance calculations. If such returns have already been included in rebate calculations and rebates were granted, we reserve the right to retroactively adjust the rebates. Should a distributor have used rebates for deduction and the deducted amount exceeds the adjusted rebate value, such distributor shall reimburse the difference to us.

- ***Product warranty:*** Upon our confirmation, during the warranty period, we generally provide reasonable remedial services for our defected products, subject to our existing technologies and commercially reasonable efforts.

- ***Confidentiality***: Each party shall keep confidential the trade secrets, technologies and proprietary rights of the other party.

- ***Termination***: The agreements may be terminated (i) upon mutual consent of both parties; (ii) in the event of a force majeure; and (iii) by the non-defaulting party in the event of a material breach.

- ***Dispute resolution***: In the event of any dispute related to the enforcement of any agreement during our agreement term, both parties shall negotiate amicably.

Marketing

We enhance the awareness of our brand and promote our new and existing products, services and solutions through both offline and online channels. We adopt a comprehensive approach to brand building, focusing on eight core dimensions, including: brand visuals, product brand, ecosystem brand, technology brand, service brand, employer brand, responsibility brand, and investment value. We organize technology summits and product launches, conducts co-branded campaigns and city roadshows as well as actively participating in major AI conferences and industry forums. Such events further enhance our market presence by cultivating the Transwarp Developer Community, improving product demonstration capabilities, and optimizing customer trial experiences to ensure effective last-mile delivery. In addition, we have integrated digital channel marketing strategies while strengthening communication with both investors and media outlets. These coordinated initiatives work synergistically to articulate the brand philosophy, elevate brand recognition, and drive sustainable brand growth.

We place strong emphasis on expanding and deepening our partner network through strategic collaboration. We maintain close technical cooperation with leading CPU, GPU, operating system, and hardware vendors to ensure product compatibility and performance optimization. Through partnerships with industry-specific ISVs, we develop tailored joint solutions that enhance our penetration across diverse sectors. Our ecosystem strategy is further supported by the continuous identification and engagement of new strategic partners, which is expected to promote ongoing innovation, broaden market coverage, and enhance our overall competitiveness.

CUSTOMERS AND CUSTOMER SUPPORT

We have two main categories of customers: (i) direct customers, including (a) end users purchasing our products, services and solutions directly and (b) ISVs and SIs that embed our products, services and solutions into their offering to cater for end users' specific needs, and (ii) our authorized distributors who enter into distribution agreements with us. Such distributors are certain of our business partners who have entered into distribution agreements with us and their sales goals primarily depend on the specific term that we agreed upon in the executed distribution agreements. Our distributors are mainly mid-market business-to-business technology solution providers specializing in developing industry-specific software solutions and IT services, primarily serving sectors such as finance and energy. They maintain flexible operational models, handling core capabilities internally while strategically collaborating with specialized partners to scale resources and undertake large projects beyond their in-house capacity.

Certain end users of our products, services and solutions, especially those government end users, use ISVs and SIs when selecting suppliers or service providers. This approach saves them from the trouble of directly negotiating with a large number of different suppliers or service providers and to benefit from the various other services provided by such ISVs and SIs. Such end users typically lay out the goals they plan to achieve and the budget for their projects and engage ISVs and SIs, instead of engaging us directly. These ISVs and SIs typically embed our products, services and solutions into their offering to cater for end users' specific needs, and provide various other services to end users, such as implementation services. According to Frost & Sullivan, engagement with end users through ISVs and SIs is an industry norm. These ISVs or SIs are not distributors that we engage to broaden our sales channels. Instead, they are selected by our end users to implement their projects, and the ultimate decisions as to which service provider to choose are primarily made by the end users. As such, we do not believe that our business relationship with them raises any concern in relation to inventory risk, cannibalization or recoverability of accounts receivables. In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from direct customers accounted for 94.0%, 93.7%, 97.5% and 93.0% of our total revenue, respectively. We typically grant a credit term ranging from 30 to 365 days for direct customers.

Additionally, we typically enter into one-year distribution agreements with third-party professional distributors. After purchasing the products from us, our distributors may at their discretion perform onward sales to their respective downstream customers. Our distributor customers are primarily engaged in distribution and sales of software products. In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from such distributor customers accounted for 6.0%, 6.3%, 2.5% and 7.0% of our total revenue, respectively. We typically grant a credit term ranging from 30 to 365 days for distributor customers.

The table below sets forth our operating metrics about customers during the Track Record Period.

	Year ended December 31,			Three months ended March 31,
	2023	**2024**	**2025**	**2026**
Number of revenue-generating customers	575	521	558	310
Direct customers[(1)]	544	493	527	297
End users	241	221	265	152
ISVs and SIs	303	272	262	145
Distributors[(2)]	31	28	31	13
Number of new customers	198	153	130	4
Customer retention rate[(3)]	66%	71%	77%	99%

Notes:

(1) Direct customers include (a) end users purchasing our products, services and solutions directly and (b) ISVs and SIs that embed our products, services and solutions into their offering to cater for end users' specific needs. We adopt the following measures to avoid double counting of end users: (a) the counting is based on contracted customers and do not include their potential downstream users and (b) if a contracted customer is both an end user and an ISV or SI in the same year/period, such customer will be labeled as an end user instead of counting as ISV or SI.

(2) Distributors include authorized distributors who enter into distribution agreements with us.

(3) Customer retention rate of each year/period is calculated as the number of customers who generated revenue in both the current year/period and the prior year/period, divided by the total customers who generated revenue in the year/period.

Our top five customers in each year or period during the Track Record Period in aggregate accounted for 16.4%, 14.4%, 22.2% and 34.8% of our total revenues in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Our largest customer in each year or period during the Track Record Period accounted for approximately 4.7%, 3.2% and 5.8% and 12.4% of our total revenue for the respective year or period.

The following tables set forth a summary of our five largest customers for the years or periods indicated.

For the year ended December 31, 2023

Ranking	Customer	Nature of revenue	Year of business relationship with us	Type of customer	Credit Period	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	
1	Customer A[(1)]	AI and big data infrastructure software; solution	12	End user; SI	30-45 days	Bank settlement	23,168	4.7
2	Customer B[(2)]	AI and big data infrastructure software; solution	4	End user; SI	30-90 days	Bank settlement	19,432	4.0
3	Customer C[(3)]	AI and big data infrastructure software; solution	11	End user; SI; ISV	30-90 days	Bank settlement	14,893	3.0
4	Customer D[(4)]	AI and big data infrastructure software; solution	11	End user	30-120 days	Bank settlement	11,914	2.4
5	Customer E[(5)]	AI and big data infrastructure software; solution	12	SI	90 days	Bank settlement	11,280	2.3

For the year ended December 31, 2024

Ranking	Customer	Nature of revenue	Year of business relationship with us	Type of customer	Credit Period	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	
1	Customer F[(6)]	AI and big data infrastructure software	4	End user	30-240 days	Bank settlement	11,865	3.2
2	Customer C[(3)]	AI and big data infrastructure software; solution	11	End user; SI	30-90 days	Bank settlement	11,632	3.1
3	Customer G[(7)]	AI and big data infrastructure software; solution	6	End user; SI	30-240 days	Bank settlement	10,350	2.8
4	Customer D[(4)]	AI and big data infrastructure software; solution	11	End user	30-120 days	Bank settlement	9,995	2.7
5	Customer H[(8)]	AI and big data infrastructure software; solution	7	End user; SI	30-240 days	Bank settlement	9,364	2.5

For the year ended December 31, 2025

Ranking	Customer	Nature of revenue	Year of business relationship with us	Type of customer	Credit Period	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	
1	Customer I(9)	AI and big data infrastructure software; solution	2	End user	90-180 days	Bank settlement	25,787	5.8
2	Customer J(10)	AI and big data infrastructure software; solution	5	End user	120-240 days	Bank settlement	24,220	5.4
3	Customer K(11)	Solution	3	End user	30-90 days	Bank settlement	17,867	4.0
4	Customer L(12)	AI and big data infrastructure software	8	End user	45-180 days	Bank settlement	15,720	3.5
5	Customer M(13)	AI and big data infrastructure software; solution	2	End user	90-180 days	Bank settlement	15,520	3.5

For the three months ended March 31, 2026

Ranking	Customer	Nature of revenue	Year of business relationship with us	Type of customer	Credit Period	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	
1	Customer N(14)	AI and big data infrastructure software	1	End user	30-240 days	Bank settlement	10,072	12.4
2	Customer O(15)	AI and big data infrastructure software	1	End user	30-360 days	Bank settlement	5,886	7.2
3	Customer P(16)	AI and big data infrastructure software	4	SI; ISV	30-90 days	Bank settlement	4,524	5.6
4	Customer C(3)	AI and big data infrastructure software; solution	11	End user; SI; ISV	30-90 days	Bank settlement	4,007	4.9
5	Customer L(12)	AI and big data infrastructure software; solution	8	End user	45-180 days	Bank settlement	3,810	4.7

Notes:

(1) A Shanghai-based non-listed company primarily engaged in software and information technology services, established in 2003 with the registered capital of RMB15.0 million. It is an IT service provider for numerous large government and enterprise clients in the Shanghai region, maintaining a stable market share in the local market.

(2) The second-largest wireless carrier in China, established in 1995 and listed on Shanghai Stock Exchange and Hong Kong Stock Exchange with operating revenues amounting to RMB529.6 billion in 2025. Its user base and network capacity rank among the world's largest, holding a dominant position in the fixed broadband, government and enterprise ICT, and Tianyi Cloud services markets.

(3) A Wuhan-headquartered, large-scale, state-owned, non-listed company in China providing information and communications products and integrated solutions, established in 2018 with the registered capital of RMB30.0 billion. Its fiber optic cables and optical transmission equipment hold a dominant share in the domestic carrier market. Some of its subsidiaries are listed on Shanghai or Shenzhen Stock Exchange.

(4) A Hangzhou-headquartered and non-listed regional joint-stock bank, established in 2022 with the registered capital of RMB5.0 billion. It is one of the largest regional banking systems in Zhejiang Province, with assets ranking among the top nationwide in its category, it has established a deep presence in the province's county-level and rural financial markets. Our business relationship traces back to 2015 with the bank's predecessor.

(5) A Beijing-headquartered company providing cloud computing solutions and industry-based digital services, established in 1998 and listed on Shanghai Stock Exchange with the net assets of RMB4.4 billion as of December 31, 2025. It is a long-established domestic IT service provider offering comprehensive technical services from consulting to operations and maintenance to clients across multiple industries including finance, telecommunications, and government.

(6) A Chinese provincial government-affiliated agency responsible for the management of administrative approval and government information management throughout the province. It holds absolute dominance in the digital government sector of Henan Province.

(7) A Shanghai-based futures exchange, a non-profit-seeking incorporated body under the CSRC, established in 1999. It is one of China's major futures exchanges, with massive annual trading volume, exerts significant influence on global commodity pricing and serves as a national-level financial infrastructure.

(8) A Shanghai-based specialized information technology services company focusing on cloud computing and big data, industry solutions, and intelligent products as its core business, established in 1993 and listed on Shanghai Stock Exchange with the net assets of RMB4.9 billion as of December 31, 2025. As a key player in Shanghai's urban digital transformation, it ranks among the top players in the cloud computing and smart city solutions market across the Yangtze River Delta region.

(9) A Xi'an-based, municipal state-owned, non-listed company in China engaged in digital technology services, information technology consulting and technical consulting. It was established in 2024 with the registered capital of RMB2.0 billion.

(10) Established in 1957, a Beijing-based core non-listed research institute in the defense sector for computer and control technology, which integrates research, design, testing, production, and service, focusing primarily on the development of computer hardware and software as well as product application.

(11) A Beijing-headquartered, large-scale, state-owned, non-listed company in China engaged in coal mining and production, established in 1982. It is one of China's major state-owned coal energy enterprises, ranking among the industry leaders in coal production and sales volume, and serving as a primary nationwide supplier in coal production, trade, and coal chemical markets. Some of its subsidiaries are listed on Shanghai or Hong Kong Stock Exchange.

(12) A Shanghai-headquartered nationwide joint-stock commercial bank, ranking among the top ten domestic banks in terms of total assets and competing nationally across multiple sectors including corporate finance, retail banking, and financial markets, established in 1992 and listed on Shanghai Stock Exchange with the net assets of RMB824.4 billion as of December 31, 2025.

(13) A Beijing-headquartered, non-listed, large-scale central enterprise directly managed by the State-owned Assets Supervision and Administration Commission of the State Council, primarily engaged in the exploration, transportation, and sale of oil and natural gas; oil refining; wholesale and retail of refined oil products; and the production and sale of petrochemical products. It was established in 1983 with the registered capital of RMB326.5 billion. Some of its subsidiaries are listed on Shanghai, Shenzhen, or Hong Kong Stock Exchange.

(14) A Beijing-headquartered, state-owned, non-listed company in China primarily engaged in the design, manufacture, development, and application of telecommunications equipment, computers, and computer software. It was established in 2002 with the registered capital of RMB21.5 billion. Some of its subsidiaries are listed on Shanghai, Shenzhen, or Hong Kong Stock Exchange.

(15) A Guangzhou-headquartered, state-owned, non-listed company in China with business operations spanning mineral resources, electronics and information technology, environmental protection, engineering and real estate, and finance. It was established in 1999 with a registered capital of RMB10.0 billion. Its subsidiaries are listed on Shanghai or Shenzhen Stock Exchange.

(16) A Xi'an-based non-listed company engaged in providing data governance and data analysis services, established in 1998 and listed on the National Equities Exchange and Quotations with the net assets of RMB196.5 million as of December 31, 2025. It focuses on providing enterprises with big data products and value-added solutions centered on data asset management, data analysis and mining, and data development and application.

We acquainted our five largest customers in each year or period through marketing efforts, which mainly include visiting our downstream customers and attending industry seminar participants.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with the aforementioned customers, nor did we receive any material complaints from such customers. We did not receive any material product returns from our customers during the Track Record Period and up to the Latest Practicable Date, and to the best knowledge of our Directors and senior management, there were no potential material product returns as of the Latest Practicable Date. Although certain of our five largest customers during the Track Record Period ceased to be among our five largest customers in subsequent years/periods, the majority of them remained our customers during subsequent years/periods. All of our five largest customers in 2023 continued their business relationships with us during a subsequent year/period. Four of our five largest customers in 2024 continued their business relationships with us during a subsequent year/period. Additionally, three of our five largest customers in 2025 continued their business relationships with us in 2026. Further, we are currently in discussions with some of our five largest customers for the three months ended March 31, 2026 regarding potential new business opportunities.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers in each year or period as of the Latest Practicable Date. To the best of our Directors' knowledge, during the Track Record Period, one of our customers was ultimately controlled by a former director of our Company, who resigned in April 2021. Revenue generated from such customer amounted to RMB0.6 million, RMB0.06 million, RMB0.7 million and nil in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for approximately 0.1%, 0.02%, 0.2% and nil of our total revenue in the corresponding periods. To the best of our Directors' knowledge, during the Track Record Period, save for the aforementioned, no other customers were ultimately controlled by our former or current employees. We enter into written agreements with our direct customers and distributor customers. The value of our contracts with customers can vary substantially from customer to customer, depending on their business needs.

SUPPLIERS AND PROCUREMENT

Our procurement can be categorized into two types according to the operational needs, namely (i) internal procurement and (ii) project procurement. Internal procurement focuses on acquiring servers, office equipment, and related hardware essential for daily operations and R&D. These purchases are executed by the procurement department based on internal requirements. Project procurement, by contrast, involves obtaining services and software/hardware for customer project implementation. To optimize project profitability, delivery efficiency, and implementation timelines, we source services through two pricing models: (i) daily or monthly rates and (ii) project-based contracts. Procured materials primarily include hardware components for integrated systems and general-purpose software tools.

To ensure procurement standardization, we have implemented comprehensive internal regulations and operational guidelines. These frameworks govern both internal and external procurement processes while establishing robust supplier management protocols. The procurement department executes all project purchases in strict alignment with customer specifications and organizational policies, maintaining rigorous oversight throughout the procurement lifecycle.

Our suppliers primarily consist of (i) service providers, such as delivery service providers, (ii) software providers, which provide third-party software primarily including business intelligence tools and other client-side software in order to meet our customers' specific needs for the delivery of their overall system, and (iii) others, such as providers of servers and cloud services and providers of other professional services. Our top five suppliers in each year or period during the Track Record Period in aggregate accounted for 43.2%, 39.1%, 37.5% and 44.5% of our total purchases in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Our largest supplier in each year or period during the Track Record Period accounted for approximately 23.3%, 14.6%, 9.9% and 15.7% of our total purchases in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively.

The salient terms of a typical agreement with our service providers are set out below:

- *Delivery and inspection.* Our suppliers shall complete the project within the prescribed time period, and deliver all relevant software and documents. We are entitled to inspect their work products and provide comments for suppliers to address.

- *Copyright.* We are entitled to all copyrights in relation to the R&D projects, including but not limited to the technical materials, documents, source codes and applications.

- *Termination*. The agreement may be terminated upon mutual consent between the parties.

The salient terms of a typical agreement with our software providers are set out below:

- *Delivery and inspection.* Our suppliers shall deliver the products within the prescribed time period, and deliver all relevant documents. We are entitled to inspect the packages of products before the acceptance.

- *Installation and maintenance.* Suppliers are entitled to provide free installation and debugging of the software products, and provide our staff with free training for the products' operation, maintenance and repair, in accordance with our requirements as specified in the agreement.

- *Copyright*. Suppliers are obligated to ensure they possess all the necessary rights to the software products provided to us, including full authorization for our use and the authority to grant or transfer the associated licenses and materials. We are entitled to sublicense and transfer the software license to our customers and conduct derivative development without any copyright restrictions. Suppliers shall not impose additional license fees beyond the payment obligations under this agreement, guaranteeing our non-exclusive, perpetual, global, and irrevocable usage rights. We are entitled to all rights in relation to the contract fulfillment, including but not limited to the intellectual property rights, ownership and corresponding benefits.

- *Termination*. The agreement may be terminated upon mutual consent between the parties.

We have established internal procedures for the selection and management of suppliers, taking into account factors such as technical capabilities, commercial terms, business background, financial condition and project-specific requirements. Potential suppliers may be recommended by relevant departments and are subject to a structured qualification process conducted by our procurement team, including initial screening, registration and submission of required documentation through our internal systems. Suppliers are then assessed against our qualification standards and categorized accordingly, with those meeting the requirements approved for engagement and others retained for future consideration. This process enables us to maintain flexibility in sourcing while ensuring consistent and rigorous supplier management.

The following tables set forth a summary of our five largest suppliers for the years or periods indicated.

For the year ended December 31, 2023

Ranking	Supplier	Nature of Purchase	Year of business relationship with us	Credit Period	Payment method	Purchase amount	Percentage of total purchase
						(RMB'000)	
1	Supplier A[(1)]	Technical services	3	60-270 days	Bank settlement	21,698	23.3
2	Supplier B[(2)]	Technical services	9	30-120 days	Bank settlement	5,876	6.3
3	Supplier C[(3)]	Technical services	6	60-270 days	Bank settlement	4,993	5.4
4	Supplier D[(4)]	Technical services	6	30-120 days	Bank settlement	4,021	4.3
5	Supplier E[(5)]	Technical services	5	60-270 days	Bank settlement	3,621	3.9

For the year ended December 31, 2024

Ranking	Supplier	Nature of Purchase	Year of business relationship with us	Credit Period	Payment method	Purchase amount	Percentage of total purchase
						(RMB'000)	
1	Supplier F[(6)]	Technical services	3	30-45 days	Bank settlement	10,109	14.6
2	Supplier B[(2)]	Technical services	9	30-120 days	Bank settlement	5,638	8.1
3	Supplier C[(3)]	Technical services	6	60-270 days	Bank settlement	5,490	7.9
4	Supplier D[(4)]	Technical services	6	30-120 days	Bank settlement	2,972	4.3
5	Supplier G[(7)]	Technical services	9	30-120 days	Bank settlement	2,896	4.2

For the year ended December 31, 2025

Ranking	Supplier	Nature of Purchase	Year of business relationship with us	Credit Period	Payment method	Purchase amount	Percentage of total purchase
						(RMB'000)	
1	Supplier H[8]	Technical services	3	45-180 days	Bank settlement	8,330	9.9
2	Supplier F[6]	Technical services	3	30-45 days	Bank settlement	7,687	9.2
3	Supplier G[7]	Technical services	9	30-120 days	Bank settlement	5,367	6.4
4	Supplier I[9]	Technical Services	2	30-45 days	Bank settlement	5,132	6.1
5	Supplier B[2]	Technical services	9	45-180 days	Bank settlement	4,908	5.9

For the three months ended March 31, 2026

Ranking	Supplier	Nature of Purchase	Year of business relationship with us	Credit Period	Payment method	Purchase amount	Percentage of total purchase
						(RMB'000)	
1	Supplier J[10]	Technical services	1	30-360 days	Bank settlement	2,629	15.7
2	Supplier I[9]	Technical services	2	30-45 days	Bank settlement	1,843	11.0
3	Supplier G[7]	Technical services	9	30-120 days	Bank settlement	1,009	6.0
4	Supplier B[2]	Technical Services	9	45-180 days	Bank settlement	1,008	6.0
5	Supplier F[6]	Technical services	3	30-45 days	Bank settlement	967	5.8

Notes:

(1) A Wuhan-based IT solution provider in China committed to providing services for enterprise-level users to improve the level of convenience and intelligence for their information exchanges and business interactions, established in 2005 and listed on Hong Kong Stock Exchange with the net assets of RMB1.7 billion as of December 31, 2025. We became acquainted with Supplier A at another client's project site and learned of Supplier A's substantial experience in smart community solutions. The technical services procured Supplier A during the Track Record Period include: (a) building the foundational framework, database, and platform and WeChat-side applications such as monitoring, (b) enterprise services and policy-related service solutions, (c) energy management related services, including power plant and component analysis, along with safety early warning systems, and (d) visual data parsing and algorithm development. There were/are not any past or present relationships (including family, employment, business, trust, financing or otherwise) between Supplier A and the Company, or their respective associates other than being a supplier of the Group.

(2) A Shanghai-based, non-listed, high-end software customization development and UI design company, specializing in the digital transformation and upgrading of traditional industries such as education and healthcare, established in 2006 with the registered capital of RMB6.3 million.

(3) A Shanghai-based and non-listed company dedicated to pioneering innovation in domestic big data products, it develops intelligent big data operational platforms, integrated intelligent analytics management systems, and industry-specific vertical data application solutions, providing big data, artificial intelligence products and services, established in 2019 with the registered capital of RMB12.0 million.

(4) A Shenzhen-based and non-listed company primarily providing information technology services, established in 2016 with the registered capital of RMB5.0 million.

(5) A Chongqing-based and non-listed company primarily providing software and information technology services, established in 2014 with the registered capital of RMB1.0 million.

(6) A Jiangxi-based and non-listed company providing outsourced labor services, established in 2022 with the registered capital of RMB10.0 million. We became acquainted with Supplier F through market research, given that it is a wholly owned subsidiary of a company which is a parent company of a recognized provider of human resources and related outsourcing services. The technical services procured from Supplier F during the Track Record include outsourced technical personnel support provided on a service-fee basis. There were/are not any past or present relationships (including family, employment, business, trust, financing or otherwise) between Supplier F and the Company, or their respective associates, other than being a supplier of the Group.

(7) A Shanghai-based and non-listed company providing information technology services, established in 2016 with the registered capital of RMB1.0 million.

(8) A Beijing-based and non-listed company engaged in information technology services industry, established in 2013 with the registered capital of RMB10.0 million.

(9) A Suqian-based, small-scale, non-listed company in China providing labor dispatch services. It was established in 2023 with the registered capital of RMB10.0 million.

(10) A Guangzhou-based company providing consulting, project implementation, software development, and system integration services in the fields of business intelligence, data warehousing, and databases, established in 2002 with the registered capital of RMB6.0 million. It is a wholly-owned subsidiary of a listed company on the Shenzhen Stock Exchange.

We acquainted our five largest suppliers in each year or period through our standard supplier selection process.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant fluctuation in prices set by our suppliers, material breach of contracts on the part of our suppliers, or delay in delivery of our orders from our suppliers.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with the aforementioned suppliers.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year or period as of the Latest Practicable Date.

Our Directors confirmed our negotiations with these companies were on an arm's length basis. In addition, the terms of transactions with these companies are in line with market practice and similar to those with our other customers and suppliers.

Overlapping Customer and Supplier

During the Track Record Period, Supplier B was our major supplier, which was also our customer. In 2023, 2024, 2025 and the three months ended March 31, 2026, the total revenue we generated from such overlapping customers and suppliers amounted to nil, RMB0.9 million, nil and nil, respectively, and the purchases from these overlapping customers and suppliers amounted to nil, RMB5.6 million, nil and nil in the same year or period, respectively. The total gross profit we derived from the sales of products to such overlapping customers and suppliers was approximately nil, RMB0.8 million, nil and nil in each year or period during the Track Record Period, accounting for less than 1% of the total gross profit we derived in the same year or period. The overlap between our customers and suppliers arises from the different business functions performed by our customers' separate entities and our business needs for both procurement and sales. According to Frost & Sullivan, the overlapping of our customers and suppliers is common in the AI infrastructure software industry, where companies often operate multiple business lines with different business models. Our Directors have confirmed that none of our sales to and purchases from our overlapping customers and suppliers during the Track Record Period was inter-conditional, inter-related or otherwise considered as one transaction.

SEASONALITY

Our results of operations historically have been seasonal because our end customers engaging in finance, government, telecommunications, energy, and manufacturing fields typically adhere to strict budget management systems. We typically provide our products, services and solutions on a project-by-project basis, with delivery and acceptance of these projects typically occurring in the fourth quarters. This seasonality primarily reflects the procurement and budget management cycles of our major customers, who generally begin their procurement budget planning for the following year in the fourth quarter of the current year, followed by project initiation, implementation, and final acceptance and settlement which are typically completed by the end of the following year. According to the Industry Consultant, such timing is typical among enterprise software and digital infrastructure providers in China, as government and large enterprise customers often complete project acceptance and payments in the fourth quarter under their annual budget and accounting schedules. As a result, our revenue is usually concentrated in the final quarter of each year, while our expenses are incurred relatively evenly throughout the year, leading to quarterly variations in profitability.

QUALITY MANAGEMENT

We have always been committed to delivering high-quality and reliable products and have established an internal quality assurance system in accordance with industry technical standards and customer requirements, and implemented comprehensive, end-to-end quality management. We possess a well-established system architecture and management processes and have obtained multiple quality system certifications, including ISO9001 Quality Management System Certification, ISO45001 Occupational Health and Safety Management System Certification, ISO14001 Environmental Management System Certification, ISO20000 Information Technology Service Management System Certification, and ISO22301 Business Continuity Management System Certification, among others.

COMPETITION

We face competition in China's AI infrastructure software market. The principal competitive factors in our industry include functionality, scope and performance of products, services and solutions, scalability and reliability of services, technology capabilities, marketing and sales capabilities, user experience, pricing, brand recognition and reputation. In addition, new and enhanced technology may further increase competition in our industry. We believe that we are well positioned to compete effectively on the basis of the foregoing factors as we have formulated clear and actionable business strategies with the goal of achieving comprehensive technology upgrades, product expansion, and global deployment, thus driving our revenue growth and progressively narrowing our net loss. For details, see "— Development Strategies" and "— Path to Profitability."

DATA PRIVACY AND SECURITY

Data Collection

Our data processing activities can be primarily categorized into the following two scenarios: (a) when providing products comprising both AI infrastructure and data infrastructure layers to enterprise and other clients, we process data on behalf of and based on instruction of the clients: all the products are locally deployed within the clients' own environments and under full control by the client. We do not own, nor do we access, collect, control, process, analyze, or transmit such business data of the client. Only upon the client's explicit request and authorization, our technical service personnel will provide on-site technical support within the client's operational environment and operating system, subject to confidentiality agreement signed with the client and the client's security management policies; (b) when operating publicly accessible websites and mini-programs, we collect limited and necessary personal information of users for the purpose of providing such services. Most of our websites and mini-programs primarily target existing or potential clients. We collect commercial contact information, including but not limited to email addresses, phone numbers, names, company names, positions, contact addresses, service records, and communication interaction records, for purposes such as account registration and login, business communication, commercial cooperation management. We also provide generative AI services to end users through Wuya–Wenzhi website and mini-program. We collect data such as mobile phone numbers or email addresses for account registration and login, and collects content actively input or uploaded by users to generate content based on user instructions. When users purchase subscription services, we collect order and transaction information for order management and after-sales support provision. In aforesaid services, we collect limited and necessary user data within the scope permitted by law and for legitimate business purposes as stated in its privacy policy, and do not collect irrelevant user data. These data collection practices align with the common practices of similar products in the industry.

Training Data for AI Models

The training data sources used by us mainly include open-source corpus, self-collected corpus, and commercial corpus.

(1) Open-source corpus. We prioritized the use of open-source corpus released by well-known universities and research institutions both domestically and overseas. Such corpora are highly constrained in both content and form, and are mainly employed to support code generation capabilities.

(2) Self-collected corpus. The self-collected corpus is sourced from publicly available and authoritative financial information (including but not limited to financial reports and other announcements of listed companies, IPO prospectuses and other listing-related announcements, financial regulations, policies, regulatory announcements, etc.), as well as SQL code-related data owned by ourselves.

(3) Commercial corpus. The commercial corpus was sourced from financial news and market announcement data provided by a well-known financial news service provider holding an Internet News Information Service License. We signed an agreement with this financial news service provider, obtaining authorization to use the data for large language model training. Up to the Latest Practicable Date, the agreement with this service provider has expired, and we will not use commercial corpus to train models.

We have adopted the following measures to ensure the compliance of training data:

(1) With respect to corpus acquisition, we prioritized the use of corpora provided by high-reputation entities, verified the source and scope of authorization, and entered into agreements with the commercial provider. We have set up internal review mechanism to refrain from using data of unknown origin or materials prohibited for commercial use.

(2) With respect to corpus data handling, we implemented procedures including corpus cleaning and detection, to remove personal information, content potentially infringing intellectual property rights, harmful information, discriminatory content, and other content that might infringe upon the rights and interests of others.

(3) We have established a dedicated complaint channel capable of promptly evaluating and responding to complaints regarding the corpus and training.

Data Transfer

For products comprised of both AI infrastructure and data infrastructure layers to enterprises and other clients, whether to conduct cross-border deployment of business data, or whether to provide data to third parties, is entirely at the client's discretion within the network environment architecture under the client's own control. For publicly accessible websites and mini-programs operated by us, all data collected and generated during our operations within the territory of the PRC are stored domestically and does not involve the cross-border data transfer.

In the course of conducting business outside the PRC, all infrastructure-layer products will be deployed within the environment designated by the client. The client will remain the owner and processor of their business data. We will not own, nor will it access, collect, control, process, analyse, or transmit such business data of the client. Whether to conduct cross-border deployment of business data, or whether to provide data to third parties, will be entirely at the client's discretion. We will implement robust security and compliance measures in future business scenarios, to ensure compliance with applicable laws and regulations in all material respects.

Data Storage

In the scenario of providing products comprising both AI infrastructure and data infrastructure layers to enterprise and other clients, all such products are locally deployed within the clients' own environments. We do not own, nor do we access, collect, control, process, analyze, or transmit client data.

In the scenario of operating public accessible websites and mini-programs, data collected and generated during our operations within China is stored domestically. Depending on the specific scenario and purpose of processing, the storage periods for personal information relating to various products and services may differ. We determine the retention period primarily based on the following criteria: (i) requirements under applicable laws and regulations. For example, in compliance with relevant Chinese laws and regulations, product and service information as well as transaction records should be retained for no less than three years from the date of transaction completion, while cybersecurity logs should be stored for a minimum of six months; (ii) the purposes for which the personal information is collected and used; (iii) the duration of product or service provision; (iv) requirements related to the statute of limitations; and (v) whether the user has deactivated the account, withdrawn consent, or agreed to an extension of the retention period. Upon expiration of the applicable retention period, we will delete or anonymize personal information.

Data Security and Privacy Protection Measures

Data security and protection are among our highest priorities. In this regard, leveraging our deep understanding of regulatory requirements and industry trends and rooted in own practices, we have established a data security and privacy protection compliance framework that covers all of our business lines to ensure that necessary authorizations are obtained for data processing and to prevent unauthorized data access and leakage. In the scenario of providing products comprising both AI infrastructure and data infrastructure layers to enterprise and other clients, only upon the client's explicit request and authorization, our technical service personnel will provide on-site technical support within the client's operational environment and operating system. The technical personnel are subject to confidentiality agreements signed with the client and the client's security management policies.

In the scenario of operating public accessible websites and mini-programs, we have outlined how these websites and mini-programs process and protect personal information in privacy policies, requiring users to read and agree to the applicable privacy policy before registering an account and submitting personal information, thereby obtaining necessary authorization and consent. Unless another applicable legal basis of personal information processing applies, we will not process user personal information without consent.

In addition, we have implemented the following measures to protect data privacy and security and prevent unauthorized access or disclosure of data:

(1) We have established a personal information and data security management mechanism. The General Manager's Office serves as the leading institution, responsible for comprehensive planning, coordination, and promoting our personal information management and data security management.

(2) With respect to cybersecurity protection, we have implemented a series of protective measures, including but not limited to: using network firewalls and intrusion prevention devices; dividing networks into zones with logical isolation; employing necessary software encryption technologies; deploying an internal monitoring platform to conduct real-time surveillance.

(3) With respect to access control, we configure system and data access permissions and usage durations in accordance with the "principle of least privilege", prohibiting the granting of account permissions beyond job responsibilities. We analyze, trace, and audit account usage through logs to prevent unauthorized access.

(4) With respect to data lifecycle processing, we have established a set of internal data security and privacy protection policies, stipulating principles and norms for data processing, classified and grading protection of data, response mechanisms for personal information rights requests, and handling of personal information security incidents.

(5) With respect to incident management, we have established a cybersecurity incident management system and data center disaster contingency plan. We also developed backup plan and business continuity plan for business systems.

During the Track Record Period and as of 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, we had not been subject to any investigation, inspection or penalty from the PRC authorities or any other relevant regulatory bodies in relation to violation of cybersecurity, data security and personal data protection laws and regulations. Based on the foregoing, we and our PRC Legal Advisors are of the view that both the Company's existing products, services and solutions, and their data privacy features as mentioned above comply with data privacy and cybersecurity laws in the PRC effectively in all material respects.

INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business. We currently own all material intellectual property relating to our proprietary products, and we devote significant time and resources to their development and protection. We rely on a combination of patent, trademark, copyright, domain name, trade secret and other proprietary rights protection laws in China and other jurisdictions as well as confidentiality procedures and contractual provisions to protect our intellectual properties. During the Track Record Period, our core technologies were patented. Such patents are typically valid for 20 years.

As of the Latest Practicable Date, we had over 180 patents registered with the National Intellectual Property Administration of the PRC and over 100 pending patent applications in the PRC. As of the Latest Practicable Date, we had entered into 12 co-ownership or co-sharing arrangements with third-party customers and a renowned university in the PRC, pursuant to which we co-developed and co-owned five patents with the third parties. Each of the co-owned or co-developed patents is not associated with our core technologies. Each of the co-owners has full title to such patents, and there are no contractual tenure and material payment obligations associated with such co-owned patents. Among the pending applications, Patent Application No. 2024119885725 — *Method, Apparatus, Electronic Device and Storage Medium for Cluster Resource Management* — is of particular significance, as it relates to our TDC 5.0 platform and enables unified management of workloads and namespaces across multiple clusters, thereby enhancing system flexibility and adaptability. Other pending patents primarily represent forward-looking research and are not expected to pose any material impediments to approval or to our ongoing operations. We also had over ten registered patents overseas spanning Europe, Singapore, Japan and Canada. As of the Latest Practicable Date, we had approximately 640 trademarks registered in the PRC, Hong Kong, Japan, Singapore, the United States, Canada, the European Union, the United Kingdom, Saudi Arabia, among others. As of the Latest Practicable Date, we had over 470 copyrights registered with the National Copyright Administration of the PRC. See "Appendix VI — Statutory and General Information — B. Further Information About Our Business — 2. Intellectual Property" for details of our material intellectual property rights.

The following table sets forth the details of our key patents which are crucial to our business operations:

No.	Intellectual Property	Name of Registered Proprietor	Origins and Ownership	Place of registration	Date of Registration	Expiry date
1 . . .	A distributed database transaction processing system (一種分佈式數據庫事務處理系統)	Our Company	Self-developed; Proprietary	The PRC	February 7, 2020	December 24, 2038
2 . . .	A machine learning model training method, computer device, and storage medium (一種機器學習模型的訓練方法、計算機設備及存儲介質)	Chongqing Transwarp	Self-developed; Proprietary	The PRC	February 2, 2024	December 28, 2040
3 . . .	A method, device, equipment and storage medium for managing LLM hallucinations (一種大模型幻覺治理方法、裝置、設備及存儲介質)	Our Company	Self-developed; Proprietary	The PRC	May 31, 2024	October 22, 2043
4 . . .	A method for determining vector similarity and a method for searching vectors (一種向量相似度確定方法及向量搜索方法)	Our Company	Self-developed; Proprietary	The PRC	May 14, 2024	November 27, 2043
5 . . .	A large language model question answering optimization method, device, electronic device and storage medium (一種大語言模型問答優化方法、裝置、電子設備及存儲介質)	Our Company	Self-developed; Proprietary	The PRC	October 29, 2024	January 29, 2044
6 . . .	A method, device, equipment and medium for improving NL2SQL system capabilities (一種NL2SQL系統能力提升方法、裝置、設備和介質)	Our Company and Nanjing Transwarp Intelligent	Self-developed; Proprietary	The PRC	October 1, 2024	April 10, 2044
7 . . .	A management and scheduling system and method for heterogeneous acceleration cards based on K8s (一種基於K8s的異構加速卡的管理調度系統及方法)	Our Company	Self-developed; Proprietary	The PRC	May 31, 2024	September 12, 2043
8 . . .	A data quality evaluation method, computer device, and storage medium (一種數據質量評估方法、計算機設備及存儲介質)	Henan Transwarp	Self-developed; Proprietary	The PRC	January 10, 2025	September 28, 2041
9 . . .	Distributed processing method, apparatus, computer device, and storage medium (分佈式處理方法、裝置、計算機設備及存儲介質)	Our Company	Self-developed; Proprietary	The PRC	October 1, 2019	June 27, 2038
10 . .	A method, device, and storage medium for synchronizing files (一種文件同步方法、設備及存儲介質)	Beijing Transwarp	Self-developed; Proprietary	The PRC	June 21, 2022	September 14, 2041

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes or any other pending legal proceedings regarding intellectual property rights with third parties.

EMPLOYEES

We had 875 employees as of March 31, 2026, 871 of whom were based in China. The following table sets forth a breakdown of our employees by function as of March 31, 2026.

Function	Number of Employees	Percentage
		(%)
R&D	298	34.0
Sales and marketing	152	17.4
Technical service	313	35.8
General and administrative	112	12.8
Total	875	100.0

Our success depends on our ability to attract, retain and motivate qualified personnel, and we view our talent pool as a core strength. We recruit through multiple channels, including campus recruitment, online platforms, internal referrals and executive search, to meet our evolving talent needs. We support employee integration and development through structured onboarding and training programs, including mentorship initiatives and role-specific development tracks. In addition, we maintain a competitive compensation and incentive system, informed by regular market benchmarking, and offer diverse career development opportunities to promote employee engagement and retention, thereby supporting our long-term growth.

As required by PRC laws and regulations, we participate in various employee social security schemes organized by municipal and provincial governments, including pension, maternity insurance, unemployment insurance, work-related injury insurance, health insurance and housing provident fund. We are required under PRC laws and regulations to make contributions to employee social security schemes at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. We also procure that subsidiaries we acquired comply with applicable labor-related laws and regulations. Due to the preference of certain employees to participate in local social insurance and housing provident fund schemes in their place of residency, we used third-party agencies to pay social insurance and housing provident fund contribution for a few employees in certain locations where we had no branch or legal entity during the Track Record Period on time and in full. Pursuant to the written confirmation issued by the third-party human resources agent, they had made the contributions for our relevant employees in a timely manner pursuant to the applicable laws and regulations in China during the Track Record Period. As of the Latest Practicable Date, (i) there had been no disputes between us, such employees and the third-party human resources agent with regard to such arrangement, and (ii) we had not received any notice of rectification from, or been imposed any administrative penalty by, the relevant governmental authorities as a result of such arrangement. Due to historical reasons, differences in local practices and administrative complexities, we used third-party agencies to pay social insurance and housing provident fund contribution for a few employees during the Track Record Period on time and in full. As of the Latest Practicable Date, we had not received any administrative penalty or rectification notice from PRC authorities in connection with social insurance or housing provident fund contribution. As advised by our PRC Legal Advisors, the risk of us being imposed of material penalties is remote, provided that we rectify the third-party payment arrangements for our social security and housing provident fund contributions in a timely manner after receiving notices to rectify the non-compliance from the relevant PRC authorities.

Our Directors believe that the incidents above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) we had not received any administrative penalty or rectification notice from PRC authorities in connection with social insurance or housing provident fund contribution, nor did we receive any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, or any employee complaint concerning their payment of social insurance and housing provident funds; and (ii) we will make full and timely payments for the outstanding amount and overdue charges under our own accounts as soon as requested by relevant authorities.

We are in the process of communicating with such employees with a view to seeking their understanding and cooperation to rectify the third-party payment arrangements. We undertake to rectify these matters as soon as practicable after Listing and it is expected that the rectification will be completed by the end of the year ending December 31, 2027. We will review our practice and adopt the plan for remedial measures, including: (i) We will establish an internal control department to monitor our ongoing compliance with the social insurance and housing provident fund contribution regulations and oversee the implementation of any necessary measures. (ii) We will continuously review and monitor the reporting and contributions relating to the social insurance and housing provident funds and we will consult our PRC Legal Adviser for advice on relevant laws and regulations in China to keep us abreast of relevant regulatory developments; and (iii) Going forward, we will continue to implement the above measures to ensure that we comply with the social insurance and housing provident fund contributions requirements under the relevant laws and regulations and undertake to make timely payments for the outstanding amount and overdue charges under our own accounts as soon as requested by relevant authorities.

We enter into standard contracts and agreements regarding confidentiality, intellectual property, employment, commercial ethics and non-competition with our executive officers and full-time employees. These contracts typically include a non-competition provision effective during and up to two years after their employment with us and a confidentiality provision effective during and after their employment with us. Our employees are represented by labor unions. We believe that we maintain a good working relationship with our employees, and we have not experienced any significant labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period.

INSURANCE

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 practices in our industry. Our employee-related insurance consists of pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and medical insurance, as required by PRC laws and regulations. We also purchase supplemental commercial medical insurance for our employees. In addition, we maintain the liability insurance for our directors, supervisors, and senior management.

In line with general market practice, we do not maintain any business interruption insurance, product liability insurance or other specialized insurance policies such as first-edition software quality liability insurance or cloud service liability insurance, which are not mandatory under PRC laws. See "Risk Factors — Risks Relating to Our Operations — We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources" in this prospectus. During the Track Record Period, we did not make any material insurance claim in relation to our business. During the Track Record Period and up to the Latest Practicable Date, we had not made or been subject to any material insurance claims and/or product liability claims. We will review and assess our risks on an ongoing basis and make necessary adjustments to our insurance coverage in line with our needs and industry practice in the PRC. As advised by our PRC Legal Advisor, the absence of aforementioned insurance does not materially and adversely affect the Group's business and operations. Accordingly to Frost & Sullivan, the absence of product liability insurance is in line with the prevailing market practice.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are committed to be a responsible corporate citizen, to abide by applicable laws and generally accepted ethical principles and to increase the wellness of the society. As we vision ourselves to provide world-leading enterprise-level AI and big data infrastructure products, services and solutions that catalyze progression of society and growth of enterprises, we attach great importance to environmental, social and governance matters, including environmental sustainability, social responsibility and governance ("**ESG**").

Environment, Climate and Sustainability

Given the nature of our business, the energy resources consumed in our operations and R&D activities are mainly electricity and domestic water resources with stable consumption levels and we do not operate any production facilities or otherwise impose any material threats to the environment or the climate. Therefore, we are not subject to significant environmental or climate-related risks. Nonetheless, we have made significant efforts towards environmental protection, change and sustainability.

We actively strengthen our end-to-end process control over our daily operations, optimizing resource allocation and further improving our operational efficiency. Our internal enterprise resource planning, business intelligence, and reporting systems have all been independently developed by us and are currently in operation and under management, with the aim of reducing operational costs and energy consumption as well as improving quality and efficiency through technological means. Leveraging our technological innovation to support sustainable energy development, we strive to empower government, enterprises and organizations to achieve carbon neutrality and emission peak via our products and solutions. For example, we developed a carbon emissions monitoring service platform solution to provide comprehensive carbon neutrality services; we optimized flight routes for airlines to save tens of millions of tons of fuel annually; we provided automated modeling and intelligent monitoring and early warning platforms for weather forecasting in the middle and lower reaches of the Yangtze River, among other initiatives. Moreover, in collaboration with the National Supercomputing Center, we have established a marine big data center aimed at promoting the healthy development of the marine big data industry and safeguarding marine ecological diversity. By effectively leveraging the value of big data, we are building a new model for marine big data sharing services. Through the integrated research, education, industry, and application efforts, we contribute to the sustainable development of humanity and nature. Additionally, the intelligent power distribution and utilization big data application system built on our big data platform TDH closely aligns with the production needs of power companies and the social application requirements of governments. It conducts in-depth data analysis research and business application development to drive the development of power distribution and utilization, realize customer-centric core values in the power sector, efficiently allocate clean energy resources, and thereby promote the green transformation of China's energy structure.

In addition, we make efforts to save electricity energy in our daily office life as a part of our corporate culture. We operate most of our businesses digitally and utilize cloud-based services to reduce consumption of paper in an effort to keep our carbon consumption low. We have displayed notices in the office and surrounding areas to remind our employees of energy conservation and environmental protection, such as waste sorting, water and electricity conservation, and double-sided printing.

Energy Consumption

We are not a high energy-consuming and high-emission enterprise. In the course of operations and R&D, our main resource consumption consists of electrical energy and domestic water resources, both of which are sourced from local water supply systems and power grids. The Board of Directors will review key material performance indicators annually to ensure that emission reduction targets align with development needs. When reviewing performance targets, it will take into account internal and external factors, and compare quantitative targets with historical actual data to ensure that the targets set are consistent with the Company's operational development and achievable. When formulating performance targets, the Company will refer to historical data, comprehensively and prudently consider future business expansion, and strive to strike a balance between business growth and performance targets to achieve sustainable development.

Category	Indicator	Unit	Year ended December 31,			Three months ended March 31,
			2023	2024	2025	2026
Greenhouse Gases (GHG)	Total GHG Emissions (Sum of Scope 1, 2 and 3)	tCOe	5,014.6	4,476.0	4,393.1	3,900.6
	Total GHG Emissions per Unit of Revenue	tCOe/RMB1 Million	10.2	12.0	9.8	48.0
Scope 1 GHG	Gasoline Consumption	Litres (L)	2,307.7	2,304.8	2,737.4	643.5
	Scope 1 GHG Emissions	tCOe	5.5	5.5	6.5	1.6
Scope 2 GHG	Total Electricity Consumption	Megawatt-hours (MWh)	1,303.8	1,151.8	1,014.3	218.6
	Electricity Consumption/ Revenue	MWh/RMB1 Million	2.7	3.1	2.3	2.7
	Scope 2 GHG Emissions	tCOe	763.5	674.5	594.0	128.0
Scope 3 GHG	Office Area	Square Metres (㎡)	12,950.7	11,555.1	11,555.1	11,572.3
	Office Computers (Amount in RMB)	RMB('000)	1,423.0	1,724.0	32.5	9.2
	Scope 3 GHG Emissions	tCOe	4,245.6	3,796.0	3,792.6	3,771.0
Water Consumption	Total Water Consumption	Tonnes	733.3	1,244.4	1,335.8	388.8

Category	Indicator	Unit	Year ended December 31, 2023	2024	2025	Three months ended March 31, 2026
	Total Water Consumption per Unit of Revenue	Tonnes/RMB1 Million	1.5	3.3	3.0	4.8

We strictly comply with relevant environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Noise Pollution Prevention and Control Law of the People's Republic of China, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, and actively fulfill our social responsibilities for ecological and environmental protection.

Although we are not exposed to material environmental or climate-related risks, we remain committed to reducing energy consumption through a series of targeted policies to contribute to environmental protection efforts. We regard energy consumption tracking as a key means to evaluate the effectiveness of environmental protection measures, and we will continue to monitor energy consumption in the future to reassess the efficiency of water and electricity usage in our operations. In the course of business operations, the Company will implement the following measures:

- Clearly post environmental protection and energy conservation reminders in office areas and their surroundings, covering waste sorting, water and electricity conservation, and double-sided paper usage;
- Promote a paperless office and prioritize video conferences;
- Encourage the use of electronic documents to reduce paper consumption;
- Significantly reduce energy consumption in the office area of the Shanghai headquarters through the deployment of an intelligent building management system;
- Continuously enhance employees' environmental awareness and cultivate good habits of resource conservation among employees, such as waste sorting and turning off lights when leaving work.

In terms of cost control, we will first clearly define the implementation objectives of the aforementioned environmental initiatives and then conduct a reasonable estimation of the costs required to achieve these objectives. These costs mainly include the deployment and maintenance costs of the intelligent building management system, the production costs of environmental publicity materials, training expenses, and the optimization costs of paperless office tools, so as to ensure that environmental protection investments are aligned with the Company's operational development.

Waste and Hazardous Waste

Given the nature of our operations, we do not generate significant amounts of waste or hazardous waste in our daily production and business activities.

- For general waste such as electronic waste and domestic and office waste, the Company actively guides all employees to place and handle the waste in accordance with sorting requirements through internal advocacy and management guidelines, to ensure the standardization and regularization of the waste management process.

Social Responsibility

Social matters

We have always upheld a strong sense of social responsibility, expanding and deepening exchanges and cooperation with various sectors of society, including government departments, research institutions and universities, industry partners, investment institutions, industry associations, and public media. Through initiatives such as jointly establishing university-enterprise joint research centers, we actively promote cutting-edge technological research and industrial application in the big data field, strengthen the foundation of China's big data technology, and contribute our strength to the construction of "Digital China" through practical actions. While focusing on technological innovation, we also actively engage in public welfare and charitable undertakings, fulfilling corporate citizenship responsibilities in multiple dimensions and fields: we continuously carry out charity education programs to safeguard the healthy growth of poor and left-behind children; we focus on promoting employment and provide employment support for key groups such as fresh college graduates and people with disabilities; we actively assist people in need and care for vulnerable groups; and we deeply integrate the concept of sustainable development into corporate operations.

Employee care

We attach great importance to the development of talent development system and the protection of employees' legitimate rights and interests. We have always adhered to the "people-oriented" management philosophy, and regard employees as the core resource and key driver supporting the sustainable development of the Company's business and the achievement of its strategic goals. We have built a workforce with a relatively rational structure and comprehensive professional coverage, and the workforce exhibits diversified characteristics in dimensions such as gender distribution, educational background and professional background. The specific details are as follows (as of March 31, 2026):

Category	Item	Headcount	Percentage
Total Employees	**–**	**875**	**100.0%**
Gender	Male	654	74.7%
	Female	221	25.3%
	Total	**875**	**100.0%**
Educational Background	Doctoral Degree Holders	15	1.7%
	Master's Degree Holders	330	37.7%
	Bachelor's Degree Holders	496	56.7%
	Below Bachelor's Degree	34	3.9%
	Total	**875**	**100.0%**
Employee Category by Role	R&D Staff	298	34.0%
	Sales and Marketing Staff	152	17.4%
	Technical Service Staff	313	35.8%
	General and Administrative Staff	112	12.8%
	Total	**875**	**100.0%**

We strictly comply with relevant laws and regulations, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. We sign written labor contracts with all employees in accordance with the law, clearly defining the rights and obligations of both parties. We have fully implemented the full and timely payment of basic social insurance (including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance) and housing provident fund. Additionally, we pay a supplementary housing provident fund for some employees based on actual circumstances to protect employees' legitimate rights and interests. To build stable and healthy employee relations and support the Company's long-term development, we have established a comprehensive employee care system covering seven dimensions: diversity and equality & inclusion, compensation and benefits, career development and promotion, employee incentives, employee communication, health and safety, and employee activities. Details are as follows:

We believe that diversity (including but not limited to gender diversity) is a key factor in driving business competitiveness and achieving sustainable development. We actively promote inclusive collaboration among employees from different backgrounds. Throughout the entire employment process (including recruitment, employment, compensation, promotion, etc.), we do not engage in differential treatment or discrimination based on factors such as employees' age, gender, disability status, citizenship, ethnicity, race, religious belief, or marital status. Meanwhile, we have established transparent and fair recruitment, compensation, and promotion systems, explicitly prohibiting all forms of workplace discrimination and harassment to create a work environment of equality and respect.

We strictly implement the principle of "equal pay for equal work regardless of gender" to ensure that employee compensation aligns with job value and work performance, and that employees of different genders receive equal compensation for the same position and performance. In addition, we provide employees with comprehensive welfare guarantees, including commercial insurance (such as supplementary medical insurance), annual physical examination services, statutory holiday leave, and paid annual leave, to enhance employees' sense of work well-being.

We attach great importance to employees' career growth and have established a clear employee career development system. We systematically streamline talent selection and internal promotion processes, optimize compensation and incentive plans, and continuously attract and retain high-quality talent by providing a broad development platform and competitive remuneration. Meanwhile, we have built a systematic training system focused on improving employees' capabilities, covering new employee orientation training, job skill training, and management competency training, to support the common development of employees and the Company.

To deeply align the interests of shareholders, the Company, and the core team, and fully stimulate the enthusiasm and creativity of core employees, we have launched equity incentive plans. By enabling core employees to share in the Company's development achievements, we enhance their sense of belonging and cohesion, and achieve long-term coordinated growth between employees and the Company. We attach importance to constructive communication with employees and have established a standardized labor management mechanism. We handle potential labor relations disputes in strict accordance with relevant national and local laws and regulations, as well as the Company's rules and systems. Up to the date of signing this prospectus, no material labor disputes have occurred during the reporting period, and the employee team remains stable.

We place employee health and safety in a prominent position. We have newly launched a Traditional Chinese Medicine (TCM) physiotherapy program to provide employees with professional health conditioning services. Meanwhile, we continuously improve the quality of the office environment by regularly updating office equipment and optimizing office space layout (such as enhancing lighting and ventilation conditions), so as to ensure employees' occupational health and work comfort. Adhering to the philosophy of "Teamwork, Pride and Joy," we focus on enriching employees' spare-time cultural life. We have established a unified sports association, covering multiple interest clubs including swimming, table tennis, badminton, and football. We organize various sports activities and team-building activities on a regular basis to enhance communication and collaboration among employees and create a positive team atmosphere.

Governance

ESG Governance Scheme

As part of our efforts to promote corporate social responsibility and sustainable development, we are in the process of optimizing our corporate governance on environmental, social and corporate governance. We will establish a comprehensive ESG policy framework in accordance with the standards set out in Appendix C2 to the Listing Rules. Our ESG policies will clearly define the division of responsibilities and delineation of authority for the management of various ESG matters.

The Board of Directors will establish a clear ESG policy decision-making mechanism and implementation pathway. The Strategy Committee will take the lead in the top-level design of ESG, being responsible for formulating the ESG strategic framework, clarifying the priority of major issues, and deeply integrating them with the Company's business strategy. The Audit Committee will oversee the quality of ESG data, track the management's preparation for the new climate disclosure guidelines, and review the compliance of ESG reports to ensure they conform to the relevant standards of the Stock Exchange of Hong Kong. The Remuneration and Assessment Committee will strengthen ESG incentives and constraints, actively link ESG performance to executive remuneration, and establish a long-term incentive mechanism. The Nomination Committee will optimize the ESG governance structure, give priority to candidates with ESG expertise in the subsequent director appointment process, and ensure board diversity.

Our Board members have extensive experience in professional technology, risk management, finance and accounting, audit and internal control, legal and compliance, and other fields, which can provide multi-dimensional support for ESG management. This enables the Board to formulate ESG policies from the perspective of stakeholders and avoid the limitations of single financial objectives. Risk management experts will assist in identifying the potential impact of climate risks (such as the impact of extreme weather on supply chains) on the business and incorporate them into the overall corporate risk framework to enhance technical and environmental management capabilities. Finance, accounting, audit, will ensure the accuracy of ESG data and compliance of disclosures, supervise the climate data accounting process, and prevent greenwashing risks. The Strategy Committee will promote the integration of ESG goals into the Company's long-term planning to play a leading role in strategy and culture. Meanwhile, we will engage third-party professional institutions to obtain more authoritative professional support and ensure the professionalism, effectiveness, and credibility of ESG management.

ESG Materiality Assessment

We attach great importance to the ESG materiality assessment and identify it as the core of sustainable development management. The Board of Directors will review material ESG issues and supervises the implementation of management measures. The assessment process will include issue identification, stakeholder engagement, and prioritization. We will integrate the results to formulate an annual assessment report, which involves systematically identifying risks and opportunities, developing a list of material issues, collecting stakeholder feedback, and finally determining the priority of annual material issues based on the feedback and management assessment. Meanwhile, we will continue to develop quantifiable ESG indicators, establish metrics for material issues to monitor risks and performance, and the Board will continuously oversee the impact of ESG risks on the business, strategy, and finances.

ESG Risks in the Supply Chain

We attach great importance to the end-to-end development of the supply chain system, continuously optimize procurement processes, and establish an open, fair, and impartial procurement evaluation and management system. This ensures the standardization and transparency of procurement activities, actively maintains positive business cooperation with upstream and downstream suppliers, and, under the premise of safeguarding our Company's own legitimate rights and interests, fully respects and protects the legitimate rights and interests of suppliers to promote the building of a symbiotic and win-win supply chain ecosystem.

We actively embed ESG policies into supplier management. During supplier bidding and onboarding processes, we conduct due diligence to identify potential supply chain risks and incorporate ESG assessment as an onboarding criterion, ensuring that ESG requirements are applied throughout the entire lifecycle of supplier cooperation. Meanwhile, we incorporate ESG compliance checks at key business nodes, such as supplier onboarding reviews, contract term approvals, and purchase order issuances. We promptly translate the latest regulatory requirements into internal review standards to ensure the continuous compliance of supply chain ESG management.

Technology Ethics

We have promulgated and implemented the Measures for Ethics Review of Science and Technology Activities of Transwarp. Our data processing is aligned with national data security regulations; we have established a comprehensive risk monitoring and emergency response mechanism to consolidate the data security defense line. Furthermore, we ensure that algorithm and system R&D adhere to the principles of fairness, impartiality, transparency, reliability, and controllability, so as to guarantee the compliance and impartiality of technologies.

In the R&D and application of AI deep synthesis technology, we conduct end-to-end management and supervision over algorithm design, implementation, testing, and deployment. We focus on preventing risks such as data privacy leakage, algorithmic discrimination, and false advertising, prohibit algorithm abuse, and safeguard users' rights and interests, as well as public interests. Meanwhile, we have established and improved a content review mechanism to strictly oversee AI-generated content. Through technologies and mechanisms, we guide models to generate positive content, enhance the legality and security of content, curb the spread of false and harmful information, fulfill the social responsibilities of a technology enterprise, and contribute to building a healthy and secure AI development environment.

Data Security and Privacy Protection

Based on a systematic review of privacy protection laws, regulations, and industry standards, we have a thorough grasp of regulatory requirements and industry trends. Combining with our own practices, we have established a data security and privacy protection compliance framework covering all business lines. By formulating internal systems such as the Transwarp Data Security Management Measures and the Transwarp Personal Information Management Measures, we effectively guide the implementation of data security and privacy protection work. Meanwhile, we have developed independent and public privacy policies for our official website and products such as Infinity Intelligence, which is a knowledge platform integrated with TKH, integrating privacy protection into our products and services.

Under the compliance framework, we continuously strengthen supplier management, assess their data compliance capabilities, and sign data protection clauses. Furthermore, we effectively protect users' rights, respect their right to know, right to choose, and right to control, and provide channels for accessing, modifying, or deleting the information they have provided. We adopt various techniques to prevent information leakage, standardize internal employees' data processing, clearly inform, and obtain the legal basis for processing personal data. At the same time, we constantly track changes in laws, regulations, and industry practices, and update relevant systems and policies promptly to ensure continuous compliance.

Business Ethics

Governance and Policies

We have always adhered to the core values of "integrity, honesty, and transparency", striving to build a clean and upright working environment to create long-term value for employees, customers, and society. We uphold a "zero tolerance" policy towards commercial bribery and corrupt practices, and have promulgated the Transwarp Anti-Commercial Bribery and Anti-Corruption Policy, which clearly defines the Company's management direction in anti-corruption efforts. Meanwhile, the Employee Handbook includes supporting disciplinary provisions, providing an institutional foundation and implementation basis for the practice of integrity and compliance management. We actively promote the "clean workplace" concept, conveying the value of honesty and fairness to employees and partners to jointly foster a responsible and trustworthy business ecosystem. We have established a whistleblower protection mechanism and set up a dedicated reporting email address to ensure that reporting leads are handled impartially. This mechanism also protects the legitimate rights and interests of whistleblowers, enabling joint efforts to safeguard an honest and fair corporate environment.

Bidding Management and Confidentiality Protection

We have implemented a comprehensive framework of internal rules, tiered access controls, and confidentiality safeguards to protect trade secrets and ensure integrity in its bidding activities. Our Directors believe that these measures demonstrate our unequivocal commitment to business ethics and provide effective safeguards against any improper conduct in our bidding activities. See "Directors and Senior Management — Further Information about our Directors and Senior Management — The Bidding Incident" for details.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to noncompliance in relation to health, work safety or environment regulations and had not had any incident, or received any claim for personal or property damage made by our employees, which had materially and adversely affected our financial condition or business operations. Given that we operate our business primarily in the office, and that a majority of our operations are conducted online, we leave limited impact on the environment with a small carbon footprint. In light of such business nature, environmental- related and social-related risks and climate-related issues are not likely to have material negative impacts on our business, strategy and financial performance going forward. During the Track Record Period and up to the Latest Practicable Date, we had not incurred material capital expenditures or compliance costs related to climate and environmental protection. We also do not anticipate to incur material capital expenditures or compliance costs related to climate in the foreseeable future.

PROPERTIES

We do not own any properties. As of the Latest Practicable Date, we leased eight properties in the PRC, with an aggregate GFA of approximately 11,483.55 sq.m. from independent third parties. These properties were used primarily as premises of office spaces, R&D activities and daily operations. Our lease agreements in respect of the abovementioned leased properties generally have lease terms ranging from one to five years.

LEGAL PROCEEDINGS AND COMPLIANCE

As our business segments and products involve the provision of generative AI services to enterprise and individual users within the territory of the People's Republic of China by leveraging generative AI technologies, our Group is subject to generative AI regulations.

Our Directors confirm that:

1. Our Group has, in all material respects, implemented the following security management and technical measures in compliance with artificial intelligence-related regulations, including the Generative AI Services Measures, the Measures for the Labeling of Artificial Intelligence Generated and Synthesized Content, and the Administrative Provisions on Deep Synthesis of Internet Information Service:

    (1) Our Group has established a self-assessment mechanism for algorithm security. Regular reviews, assessments, and validations are conducted on the research, design, and development of algorithm models.

    (2) Our Group has established a corpus review mechanism, which includes verifying the source and scope of authorization of training data, cleansing corpora to remove non-compliant content. Our Group has set up internal review mechanism to refrain from using data of unknown origin or materials prohibited for commercial use.

    (3) Our Group has adopted both technical and manual methods to review input and output content. This enables the identification and filtering of illegal and harmful information, prevent the generation of false, illegal and harmful content or discriminatory scenarios.

    (4) Our Group has established a mechanism for labeling generated content to comply with the Measures for the Labeling of Artificial Intelligence Generated and Synthesized Content and relevant mandatory national standards in all material respects, including incorporating visible labels within the interactive interface and the generated content to remind users that they are using deep synthesis technology service, and adding implicit identifiers to ensure traceability and origin verification.

    (5) Our Group has established an algorithm security monitoring and emergency response mechanism for responding to potential algorithm security incidents.

2. Our Group has completed algorithm filings and safety assessments for generative AI service with the Cyberspace Administration for the generated AI services it has launched in accordance with the Generative AI Services Measures and the Administrative Provisions on Deep Synthesis of Internet Information Service. During the aforesaid processes, our Group has submitted materials to the Cyberspace Administration detailing the algorithmic compliance measures it has adopted, and has passed the corresponding technical evaluations required by the Cyberspace Administration. As of the Latest Practicable Date, our Group has not faced any investigations, penalties, litigation, or other legal proceedings related to violations of algorithm and artificial intelligence-related regulations that have had, or would be expected to have, a material adverse impact on our Group's business.

Based on the above, as advised by the PRC Legal Advisors, our Directors are of the view, and the Sole Sponsor concurs, that our Group is in compliance with all applicable laws and regulations on algorithm and artificial intelligence-related in all material respects during the Track Record Period and as of the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance. According to our PRC Legal Advisors, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

U.S. OUTBOUND INVESTMENT REGULATIONS

On November 15, 2024, the U.S. Department of the Treasury published new regulations entitled "Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern" (the "**Outbound Investment Rule**"), which became effective on January 2, 2025.

The Outbound Investment Rule prohibits or requires notification of certain investments by U.S. persons into certain People's Republic of China ("**PRC**")-affiliated companies operating in the semiconductor and microelectronics, quantum information technology, and artificial intelligence ("**AI**") sectors. "U.S. persons" include entities organized under the laws of the United States or a jurisdiction thereof, U.S. citizens and permanent residents, and any persons physically present in the United States.

Specifically, the Outbound Investment Rule applies to "covered transactions," i.e., certain investments into, with, or establishing a "covered foreign person." The Outbound Investment Rule defines "covered foreign person" to be a "person of a country of concern" engaged in a "covered activity." Currently, only the PRC, including Hong Kong and Macau, is designated as a "country of concern." The Outbound Investment Rule defines "covered activity" to include a set of specific activities in the semiconductor and microelectronics, quantum information technology, and AI sectors. "Covered transaction" is defined to include a range of transactions, including certain acquisitions of equity or contingent equity interests, debt financing, joint ventures, and investments as a limited partner in a non-U.S. person pooled investment fund, among other things.

Our Sanctions Counsels believe that our Company is not a covered foreign person as we did not engage in the "covered activity" as defined by the Outbound Investment Rule. In particular, (i) our Company did not engage in the development or production of semiconductor fabrication/packaging equipment or electronic design automation software, nor does our Company design, fabricate, package semiconductors, or develop, install, sell, or produce supercomputers; (ii) our Company did not engage in the development or production of quantum sensing platforms, or quantum network/communication systems; and (iii) the determination of whether AI-related business is prohibited or restricted under the Outbound Investment Rule hinges on two specific metrics: intended use and computational power. The AI systems developed by our Company were neither designed nor intended to be used for military end-uses, government intelligence, mass surveillance, cybersecurity applications, digital forensics, penetration testing, or robotic system controls, as prohibited or restricted under the Outbound Investment Rule. Furthermore, the computing power used to train these systems falls strictly below the notification threshold of 10^{23} computational operations and below the prohibition threshold of 10^{25} operations (or 10^{24} when using biological sequence data). Therefore, the Outbound Investment Rule should have no impact on our Company's Offering and does not restrict U.S. persons from investing in the IPO. Even if our Company were a covered foreign person, the Outbound Investment Rule does not restrict U.S. persons from acquiring publicly traded shares after the IPO, as long as the investor does not acquire rights that go beyond certain standard minority shareholder protections. As advised by our Sanctions Counsels, our Company is not a "covered foreign person" as defined under the Outbound Investment Rule. Our Company does not engage in any "covered activity," nor does our Company engage in any restricted end-uses or meet or exceed the applicable technical parameters prescribed under the notifiable transaction or prohibited transaction in the AI sector, even though our Company's business is AI-related. Considering our Sanctions Counsels' analysis and view, our Directors are of the view, and based on the information provided by our Company, the Sole Sponsor concurs, that our Company is not a "covered foreign person" as defined under the Outbound Investment Rule and the Outbound Investment Rule does not prohibit US persons from subscribing for or purchasing the Company's shares in the Global Offering or in the secondary market.

LICENSES AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisors, we had obtained all material licenses and permits required for our business operations in the PRC, and such licenses and permits had remained in full effect. Our Directors are of the view that there was no material legal impediment to renewing our material licenses and permits as of the Latest Practicable Date.

The table below sets out the main standards, certifications or requirements that we were compliant with as of the Latest Practicable Date:

Standards, certifications or requirements	Definition of the standards, certifications or requirements	Our compliance with the standards, certifications or requirements
Interim Measures for the Administration of Generative Artificial Intelligence Services (生成式人工智能服務管理暫行辦法)	The Interim Measures for the Administration of Generative Artificial Intelligence Services provides a regulatory baseline for generative AI applications offered to the public within China. Article 2 states that Providers of generative artificial intelligence services that possess public opinion attributes or the ability to mobilize society shall conduct security assessments in accordance with relevant national regulations, and shall go through algorithm filing, modification, and cancelation procedures in accordance with the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services.	Our Infinity LLM has completed the filling for generative artificial intelligence services.
Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services (互聯網信息服務算法推薦管理規定)	Article 2 of the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services clarifies the scope of regulatory oversight, stating that any use of algorithmic technologies for information distribution, content ranking, personalized recommendations or operational decision making in the provision of internet information services must comply with the provisions outlined in the regulation and properly registered.	Our Transwarp Infinity LLM for data analysis and report generation algorithm has completed the filing for deep synthesis in internet-based information services.
Data management capability maturity assessment model (DCMM)	DCMM (Data Capability Maturity Model) is the first national standard officially released in China in the field of data management. It divides data management capability maturity into five levels, from lowest to highest: Initial Level (Level 1), Managed Level (Level 2), Stable Level (Level 3), Quantitatively Managed Level (Level 4) and Optimized Level (Level 5). Different levels represent varying degrees of maturity in enterprise data management and application.	Our data management capacity is certified at the Quantitatively Managed Level (Level 4).
ISO 20000:2018 Information Technology Service Management System Certification Certificate (ISO 20000:2018信息技術服務管理體系認證證書)	ISO20000 is the globally authoritative standard for IT service management, requiring organizations to implement robust management systems across service design, transition, delivery and continuous improvements to ensure holistic, reliable and efficient IT services.	We have obtained the ISO 20000:2018 Information Technology Service Management System Certification Certificate

Standards, certifications or requirements	Definition of the standards, certifications or requirements	Our compliance with the standards, certifications or requirements
Capability Maturity Model Integration (CMMI) model	CMMI is a globally recognized framework consolidating decades of best practices in software engineering and systems engineering, serving as the benchmark for assessing the comprehensive capabilities of software enterprises. The CMMI model categorizes software organizations into five maturity levels, with higher level indicating stronger software capabilities and organizational maturity.	We have achieved the highest CMMI Maturity Level 5 certification.
Value-Added Telecommunication Business Operation License (增值電信業務經營許可證)	A type of telecommunications license that allows businesses to offer services that go beyond basic voice calls and utilize existing network infrastructure.	We have obtained the Value-Added Telecommunication Business Operation License.

Our Group's only PRC entity that actually conducts value-added telecommunication business is Beijing Transwarp, which provides second-category value-added telecommunications services, specifically internet information services, through its website "WuYa-Wenzhi Infinity" (https://www.wuya-ai.com/). As of October 26, 2025, the "WuYa-Wenzhi Infinity" has 120,608 registered users, handled 557,434 inquiries, and generated aggregate fee income of RMB449.10 from 9 paying users, since its official launch in April 2024. With respect to the second-category value-added telecommunications services Beijing Transwarp actually operates, Beijing Transwarp has obtained the Value-Added Telecommunications Business Operating Licence issued by the Beijing Communications Administration, renewed on August 13, 2025.

Under the provisions of the 2024 Negative List, the foreign equity shareholding in sino-foreign joint ventures conducting value-added telecommunications business shall not exceed 50% (excluding e-commerce, domestic multiparty communications, storage and forwarding services, and call centres). The aforesaid internet information services provided by Beijing Transwarp falls within the "restricted" category under the 2024 Negative List, which caps aggregate foreign shareholding in a sino-foreign joint venture providing such services at 50%.

Prior to and following the proposed Listing, our Company owns 100% of Beijing Transwarp. Pursuant to the Global Offering, our Company will issue 14,010,800 H Shares, representing approximately 10.4% of the enlarged total number of Shares immediately after completion of the Global Offering.

Taking into account our Company's shareholding structure as of the Latest Practicable Date, the foreign shareholding is expected to remain below 50%. Therefore, upon completion of the Global Offering, Beijing Transwarp's foreign shareholding ratio on a pass-through basis is projected to remain below 50%, continuing to comply with the provisions of the 2024 Negative List. Therefore, as in the view of our PRC Legal Advisors, the Global Offering will not cause our Group to breach the PRC foreign-investment restrictions, and no prohibited business is involved.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continually improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department.

Financial Reporting Risk Management

We have adopted comprehensive accounting policies in connection with our financial reporting risk management, such as financial management, budget management and financial statement preparation. We also have procedures in place to carry out such accounting policies, and our finance department reviews our management accounts in accordance with such procedures. In addition, we provide ongoing training to our finance staff to ensure that these policies are well-observed and effectively implemented.

Information System Risk Management

Sufficient maintenance, storage and protection of our data and other related information are critical to our success. We have implemented relevant internal procedures and controls to ensure that our data is protected and that leakage and loss of such data are avoided. We have established an all-round information system in reference to data security requirements, national standards and industry best practices and intend to continually invest heavily in data security and privacy protection. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of our data. See "— Data Privacy and Security" in this section for more information about our information security procedures and policies.

Our information technology and software systems have not encountered any material malfunction, unexpected system failure, interruption or security breach during the Track Record Period and up to the Latest Practicable Date.

Compliance and Intellectual Property Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations, as well as the protection of our intellectual property rights. Our legal or business department examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties or us to perform contractual obligations and all the necessary underlying due diligence materials, before we enter into any contract or business arrangement. There was no material and systemic non-compliance during the Track Record Period and as of the Latest Practicable Date.

We have in place detailed internal procedures to ensure that our in-house legal or business department reviews our products and solutions, including upgrades to existing solutions, for regulatory compliance before they are made available to the general public. Our legal department is also responsible for obtaining any requisite governmental pre-approvals or consent, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines and ensuring all necessary application, renewals or filings for trademark, copyright and patent registration have been timely made to the competent authorities.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operation, and conduct regular reviews to monitor the status and effectiveness of those licenses and approvals. We obtain requisite governmental approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines.

Human Resources Risk Management

We have established internal control and risk management policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of our employees in different departments. We also conduct periodic performance reviews for our employees, and their remuneration is performance-based. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential non-compliance with our code of conduct, work ethics, and violations of our internal policies or illegal acts at all levels of our Group.

In particular, we have in place a set of comprehensive anti-corruption and anti-bribery policies within our company (the "**Anti-corruption Policy**") to promote and support the compliance with applicable anti-corruption laws and regulations, providing guidance on anti-corruption and anti-bribery practices, the whistleblowing channel, as well as the responsibilities for implementing the policies. All of our employees and third-party agents are required to understand and comply with the Anti-corruption Policy, and we from time to time provide anti-corruption trainings to our employees and third-party agents. Under our current whistleblowing policy, one who becomes aware of any possible violations of applicable law or the Anti-corruption Policy should report the relevant incidents to the legal department immediately. Such reports will be treated with confidentiality, and the reported matter will be investigated and handled in a prompt, independent and fair manner.

Investment Risk Management

Our investment department is responsible for investment project sourcing, screening, execution and portfolio management. The department sources investment projects in accordance with our investment strategy, and conducts thorough pre-investment due diligence to assess the risks, business synergies and potential returns of the investment projects.

AWARDS AND RECOGNITION

The following table sets forth major awards and recognitions we received as of the Latest Practicable Date.

Award Year	Award/Recognition	Awarding Institution/Authority
2026	Named to the 2026 IDC China AI Top 50 List (入選"2026 IDC中國AI 50強"榜單)	IDC (國際數據公司)
2025	Our joint project with Fudan University won Second Prize for Technological Invention in the 2024 Wu Wenjun AI Science and Technology Awards (我們與復旦大學合作項目榮獲2024年度"吳文俊人工智能科學技術獎"技術發明二等獎)	Chinese Association for Artificial Intelligence (中國人工智能學會)
2025	Selected as a member of "List of LLM Application Delivery Suppliers" (入選"大模型應用交付供應商名錄")	China Academy of Information and Communications Technology (中國信息通訊研究院)
2024	2023 Shanghai Science and Technology Award Second Prize for Scientific and Technological Progress (2023年度上海市科學技術獎科技進步二等獎)	Shanghai Municipal People's Government (上海市人民政府)
2024	Our product Transwarp LLM Operation Platform won the Second Prize in the Jiangsu Province Artificial Intelligence Application Innovation Award (Product Category) (我們的產品星環大模型運營平台榮獲江蘇省人工智能應用創新獎(產品)二等獎)	Jiangsu Association of Artificial Intelligence (江蘇省人工智能學會)
2023	Our Infinity LLM completed the filling for generative artificial intelligence services (我們的無涯大模型通過生成式人工智能服務備案)	Cyberspace Administration of China (國家互聯網信息辦公室)
2023	Selected as one of the First Batch of Shanghai Innovative Enterprise Headquarter (入選第一批上海市創新型企業總部)	Shanghai Municipal Leading Group Office for Strategic Emerging Industries (上海市戰略性新興產業領導小組辦公室)

OVERVIEW

As of the Latest Practicable Date, our Single Largest Group of Shareholders, comprising Mr. SUN Yuanhao, Shanghai Zanxing, Mr. FAN Lei, Mr. LV Cheng and Mr. SHE Hui, acting in concert, collectively controlled approximately 22.42% of the total issued share capital of our Company. On January 25, 2019, Mr. SUN Yuanhao entered into an acting-in-concert agreement with Mr. LV Cheng, Mr. FAN Lei, Mr. SHE Hui and Shanghai Zanxing in order to consolidate the voting power at Board/Shareholders' meetings of our Company. See "History, Development and Corporate Structure — Concert Party Arrangement" for details. See "Directors and Senior Management" for the biographical information of Mr. SUN Yuanhao and Mr. LV Cheng. Shanghai Zanxing is our employee shareholding platform, with Mr. SUN Yuanhao acting as the general partner.

Immediately following the completion of the Global Offering (assuming no additional Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date), our Single Largest Group of Shareholders will control in aggregate approximately 20.10% of the total issued share capital of our Company.

INTERESTS OF THE SINGLE LARGEST GROUP OF SHAREHOLDERS IN OTHER BUSINESSES

We primarily offer AI and big data infrastructure software and related technology services (the "**Core Business**").

As of the Latest Practicable Date, other than the interest in our Group, members of the Single Largest Group of Shareholders invested in and/or controlled certain other companies which do not compete with the Core Business. Among others, Shanghai Yixun Information Technology Co., Ltd. (上海逸迅信息科技有限公司) ("**Yixun Technology**") is controlled by Mr. FAN Lei, and Yixun Technology is engaged in providing software development solutions focusing on IT business applications. As Yixun Technology is not engaged in any business activities on AI and big data infrastructure software, the business of Yixun Technology does not belong to or compete with our Core Business, and we believe there is a clear business delineation between our Core Business and the business of Yixun Technology based on the following grounds: (i) there are significant differences between our core technologies and the technologies developed by Yixun Technology. Yixun Technology focused on data collection, data governance and visualization applications, while our technologies are mainly in the field of AI infrastructure software; accordingly, there is no overlap between the products or services offered by our Core Business and those offered by Yixun Technology; (ii) the targeted market and customers are different, and accordingly the types of software products and solutions we offer are different from those provided by Yixun Technology. The business scenarios of Yixun Technology's software applications primarily include smart tourism, smart transportation and smart logistics; and (iii) we operate our business independently from Yixun Technology, and there is no sharing of premises, employees, suppliers or other operational resources between our Group and Yixun Technology during the Track Record Period.

Our Single Largest Group of Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in any business, apart from the business of our Group, that competes or is likely to compete, directly or indirectly, with the business of our Group and would require disclosure pursuant to Rule 8.10 of the Listing Rules.

NON-COMPETITION UNDERTAKING

For the purpose of the listing of our A Shares on the STAR Market, each of our Single Largest Group of Shareholders has executed a non-competition undertaking on November 24, 2021, pursuant to which (A) each of our Single Largest Group of Shareholders undertakes that, among others (1) they will not directly or indirectly engage in or participate in any business that may constitute potential direct or indirect competition with our Group and to take legal and effective measures to procure other entities controlled by each of them not to engage in or participate in any business that is competitive with our Group; (2) if there may be potential competition with our Group, they and the entities controlled by them will withdraw from the competition in the following ways: (a) inject the competitive business into our Group, or (b) transfer the competitive business to an unrelated third party; (3) if they or any other controlled entity of them have any business opportunities to engage in and participate in any activities that may compete with our Group, they shall refer such business opportunity to our Group and grant us the right of first refusal to participate in such business opportunities; and (4) if any of them violates the above undertakings, as a result of which our Company suffers a loss, they will be liable for all direct and indirect damages suffered by our Company; and (B) Mr. FAN Lei further undertakes that, among others (1) Yixun Technology has historically focused, is now focusing, and will continue to focus on developing IT business applications, and it has never engaged and will never engage in R&D on big-data infrastructure software; (2) with respect to data-application solutions, Yixun Technology will not focus on the development of data governance related tool products, data warehouse, and data governance solution businesses and will appropriately control the proportion of such business not exceeding 25% of Yixun Technology's overall business scale; (3) with respect to business-application solutions, Yixun Technology will not develop any products or solutions that are identical or substantially similar to those already provided by us; (4) if Yixun Technology or any other entity controlled by Mr. Fan has any business opportunities to engage in and participate in any activities that may compete with our Group, Mr. Fan shall ensure that Yixun Technology or any other entity controlled by Mr. Fan will refer such business opportunities to our Group and withdraw from such business opportunities; (5) if any of Mr. Fan, Yixun Technology or any other entities controlled by Mr. Fan violates the above undertakings, as a result of which our Company suffers a loss, they will be liable for all direct and indirect damages suffered by our Company.

INDEPENDENCE FROM THE SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are able to carry on our business independently from our Single Largest Group of Shareholders and their respective close associates after the Listing.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon Listing, our Board will consist of ten Directors, comprising six executive Directors and four independent non-executive Directors. See "Directors and Senior Management" for details.

Our Directors consider that our Board and senior management will function independently of our Single Largest Group of Shareholders for the following reasons:

(i) our daily management and operations are carried out by a senior management team, 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 interests of our Group;

(ii) each Director is aware of his or her fiduciary duties as a director which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, the interested Director shall abstain from voting and shall not be counted towards the quorum for the voting;

(iii) 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 Single Largest Group of Shareholders 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 towards the quorum for the voting;

(iv) we have four independent non-executive Directors with extensive experience in their respective areas of expertise, representing more than one-third of the members of our Board. Certain matters of our Company must always be referred to the independent non-executive Directors for review and approval; and

(v) our Company is an A-share listed company and have formulated and adopted a series of corporate governance policies and measures to manage conflicts of interest, if any, in compliance with the relevant requirements and rules of the STAR Market.

Operational Independence

We do not rely on our Single Largest Group of Shareholders and their respective close associates for our business development, staffing, logistics, administration, finance, internal audit, IT, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Single Largest Group of Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers. We are in possession of all relevant licenses, certificates, facilities and IP rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Group of Shareholders and their respective close associates.

Financial Independence

Our Group has an independent financial system and makes financial decisions according to our Group's own business needs. Our Group's accounting and finance functions are independent of these of our Single Largest Group of Shareholders. During the Track Record Period, we primarily financed our business operation with cash generated from our financing activities. As of the Latest Practicable Date, we did not have any outstanding borrowing or guarantee from our Single Largest Group of Shareholders or any of their respective close associates.

Having considered the above, our Directors confirm that we will not rely on our Single Largest Group of Shareholders for financing after the Global Offering as we expect that our working capital will be primarily funded from the Global Offering and cash flow from operations. Therefore, there is no financial dependence on our Single Largest Group of Shareholders and their respective close associates.

Corporate Governance Measures

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Single Largest Group of Shareholders and safeguard the interest of the Shareholders, including that:

(i) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Group of Shareholders and their respective close associates has a material interest, our Single Largest Group of Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(ii) as part of our preparation for the Listing, we have amended our Articles of Association to comply with the Listing Rules which will become effective upon Listing. In particular, our Articles of Association provides that, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, our Company will comply with the requirements in connection with connected transactions under the Listing Rules;

(iv) we have appointed four independent non-executive Directors, and we believe our independent non-executive Directors (a) possess sufficient experiences, (b) are free of any business or other relationship which could interfere with the exercise of their independent judgment in any material manner, and (c) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. See "Directors and Senior Management" for details of the independent non-executive Directors;

(v) the independent non-executive Directors will review, at least on an annual basis, whether there are any conflicts of interests between our Group and our Single Largest Group of Shareholders and provide impartial and professional advice to protect the interests of our Shareholders;

(vi) where our Directors reasonably request the advice of independent professionals or advisors, such as financial advisors, valuers or legal advisors, the appointment of such independent professionals or advisors will be made at our Company's expenses;

(vii) we have appointed China Everbright Capital Limited as our Compliance Advisor to provide us with advice and guidance in respect of compliance with the applicable laws and regulations and the Listing Rules, including various requirements relating to Directors' duties and corporate governance; and

(viii) we have established our Audit Committee, Remuneration and Appraisal Committee, Nomination Committee and Strategy Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Company and our Single Largest Group of Shareholders, and to protect minority Shareholders' interests after the Listing.

SHARE CAPITAL

Immediately before the Global Offering

As of the Latest Practicable Date, the total issued share capital of our Company was 121,135,916 A Shares of nominal value of RMB1.00 each, which are all listed on the STAR Market, and the Company had no treasury shares (as defined under the Listing Rules).

Description of Shares	Number of Shares	Approximate percentage of issued share capital
A Shares in issue	121,135,916	100%

Upon the Completion of the Global Offering

Immediately following the completion of the Global Offering, assuming no additional Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date, the 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
A Shares in issue	121,135,916	89.63%
H Shares to be issued pursuant to the Global Offering	14,010,800	10.37%
Total	**135,146,716**	**100.00%**

OUR SHARES

Our H Shares in issue following the completion of the Global Offering and our A Shares, are all ordinary Shares in the share capital of our Company and are considered as one class of Shares. Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between Chinese Mainland and Hong Kong. Our A Shares can be subscribed for and traded by Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can be also subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. Our H Shares can be subscribed for or traded by Hong Kong and other overseas investors and qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by Chinese Mainland investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Our A Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H shares will receive share dividends in the form of H shares, and holders of our A shares will receive shares dividends in the form of A shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the Global Offering. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share 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 are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shares holders may convert A Shares held by them into H Shares for listing and trading on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE GLOBAL OFFERING

Approval from holders of A Shares is required for our Company to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. Such approval was obtained by us at our Shareholders' meeting of our Company held on August 4, 2025 and is subject to the following conditions, among others:

(i) ***Size of the offer***. The proposed number of H Shares to be offered shall not exceed 25% of the total issued share capital enlarged by the H Shares to be issued pursuant to the Global Offering.

(ii) ***Method of offering***. The method of offering shall be by way of an international offering to institutional investors and a public offer for subscription in Hong Kong.

(iii) ***Target investors***. The H Shares shall be issued to public investors in Hong Kong under the Hong Kong Public Offering and international investors, qualified domestic institutional investors in Chinese Mainland and other investors in compliance with regulatory requirements.

(iv) ***Price determination basis***. Fully considering the interests of the Company's existing shareholders, the acceptability of investors, the risks related to the offering, and adopting a market-based pricing method in line with the international practices, market subscriptions, roadshows and bookkeeping results.

(v) ***Validity period***. The issue of H Shares and listing of H Shares on the Hong Kong Stock Exchange shall be completed within 18 months from the date when the shareholders' meeting was held on August 4, 2025.

SHAREHOLDERS' MEETINGS

For details of the circumstances under which a Shareholders' meeting is required, see "Appendix V — Summary of the Articles of Association — Shareholders and Shareholders' Meetings" in this prospectus.

SHARE INCENTIVE SCHEME

Certain employees of our Company and subsidiaries are eligible for interests of our Shares through the 2023 Share Incentive Scheme. For details, see "Appendix VI — Statutory and General Information — D. 2023 Share Incentive Scheme" in this prospectus.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering (assuming no additional Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date), the following persons will have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company:

Name of Shareholder	Capacity/Nature of Interest	Description of Shares	Number of Shares(1)	Approximate percentage of interest in the total issued share capital of our Company as of the Latest Practicable Date	Immediately upon the completion of the Global Offering: Approximate percentage of shareholding in our A Shares	Immediately upon the completion of the Global Offering: Approximate percentage of interest in the total issued share capital of our Company
Mr. SUN Yuanhao(2)	Beneficial interest	A Shares	11,167,863 (L)	9.22%	9.22%	8.26%
	Interest in controlled corporation	A Shares	7,537,589 (L)	6.22%	6.22%	5.58%
	Interest held jointly with another person	A Shares	8,457,920 (L)	6.98%	6.98%	6.26%
Shanghai Zanxing(2)	Beneficial interest	A Shares	7,537,589 (L)	6.22%	6.22%	5.58%
	Interest held jointly with another person	A Shares	19,625,783 (L)	16.20%	16.20%	14.52%
Mr. FAN Lei(2)	Beneficial interest	A Shares	6,068,626 (L)	5.01%	5.01%	4.49%
	Interest held jointly with another person	A Shares	21,094,746 (L)	17.41%	17.41%	15.61%
Mr. LV Cheng(2)	Beneficial interest	A Shares	1,519,779 (L)	1.25%	1.25%	1.12%
	Interest held jointly with another person	A Shares	25,643,593 (L)	21.17%	21.17%	18.98%
Mr. SHE Hui(2)	Beneficial interest	A Shares	869,515 (L)	0.72%	0.72%	0.64%
	Interest held jointly with another person	A Shares	26,293,857 (L)	21.70%	21.70%	19.46%
Industry Investment Fund	Beneficial interest	A Shares	6,757,201 (L)	5.58%	5.58%	5.00%
Linzhi Lichuang(3)	Beneficial interest	A Shares	6,403,402 (L)	5.29%	5.29%	4.74%
Linzhi Yongchuang Information Technology Co., Ltd. (林芝永創信息科技有限公司)	Interest in controlled corporation	A Shares	6,403,402 (L)	5.29%	5.29%	4.74%
Linzhi Yongxin Technology Co., Ltd. (林芝永信科技有限公司)	Interest in controlled corporation	A Shares	6,403,402 (L)	5.29%	5.29%	4.74%
Tencent Holdings Limited	Interest in controlled corporation	A Shares	6,403,402 (L)	5.29%	5.29%	4.74%

Notes:

(1) Represents the number of Shares as of the Latest Practicable Date. The letter "L" denotes the person's long position in the Shares.

(2) Mr. SUN Yuanhao, Mr. LV Cheng, Mr. FAN Lei, Mr. SHE Hui and Shanghai Zanxing entered into an acting-in-concert agreement to acknowledge and confirm their acting-in-concert relationship in relation to the Company. See "History, Development and Corporate Structure" and "Relationship with Our Single Largest Group of Shareholders" for details. Under the SFO, Mr. SUN Yuanhao, Mr. LV Cheng, Mr. FAN Lei, Mr. SHE Hui and Shanghai Zanxing are deemed to be interested in the Shares which each other has interest in.

(3) Linzhi Lichuang is wholly owned by Linzhi Yongchuang Information Technology Co., Ltd., which is in turn wholly owned by Linzhi Yongxin Technology Co., Ltd. and a subsidiary of Tencent Holdings Limited, a company listed on the Stock Exchange (HKEX: 00700 (HKD Counter) and 80700 (RMB Counter)).

Save as disclosed above and in section headed "Appendix VI — Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders", our Directors are not aware of any other person who will, immediately following the completion of the Global Offering (assuming no additional Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date), have any interest and/or short positions in the Shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any member of our Group.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**" and collectively, the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**" and collectively, the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of approximately US$9.41 million (equivalent to HK$73.82 million, calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering" in this prospectus), exclusive of brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee (the "**Cornerstone Placing**").

Based on the Offer Price of HK$61.00 per Offer Share, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 1,210,100 Offer Shares, representing approximately (i) 8.64% of the Offer Shares offered pursuant to the Global Offering; and (ii) 0.90% of our total issued share capital immediately upon completion of the Global Offering, both assuming no Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date.

Based on the Offer Price of HK$55.00 per Offer Share, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 1,342,100 Offer Shares, representing approximately (i) 9.58% of the Offer Shares offered pursuant to the Global Offering; and (ii) 0.99% of our total issued share capital immediately upon completion of the Global Offering, both assuming no Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date.

Based on the Offer Price of HK$49.00 per Offer Share, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 1,506,500 Offer Shares, representing approximately (i) 10.75% of the Offer Shares offered pursuant to the Global Offering; and (ii) 1.11% of our total issued share capital immediately upon completion of the Global Offering, both assuming no Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date.

We believe that the Cornerstone Placing demonstrates our Cornerstone Investors' confidence in our Company and our business prospects, and that the Cornerstone Placing will help raise the profile of our Company. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through the introduction by the Overall Coordinators in the Global Offering.

The Cornerstone Placing will form part of the International Offering, and save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors (and, for LUOYANG Sci-Tech Inv. who will subscribe for the Offer Shares through qualified domestic institutional investor ("**QDII**"), the QDII) and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors (and, for LUOYANG Sci-Tech Inv. who will subscribe for our Offer Shares through QDII, the QDII) will rank *pari passu* in all respects with the fully paid Shares in issue following the completion of the Global Offering and will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules.

Immediately following the completion of the Global Offering, the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company, and none of the Cornerstone Investors and their close associates will become a substantial shareholder of our Company. The subscription of the Offer Shares by the Cornerstone Investors will not result in more than 50% of the H Shares in public hands at the time of Listing being beneficially owned by the three largest public Shareholders for the purpose of Rule 8.08(3) of the Listing Rules. Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side agreements or arrangements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, following the principles as set out in Chapter 4.15 of the Guide.

Save as otherwise disclosed, to the best knowledge of our Company, (i) each of the Cornerstone Investors (and, for LUOYANG Sci-Tech Inv. who will subscribe for our Offer Shares through QDII, such QDII) and their respective ultimate beneficial owners are Independent Third Parties; (ii) none of the Cornerstone Investors (and, for LUOYANG Sci-Tech Inv. who will subscribe for our Offer Shares through QDII, such QDII) is accustomed to take instructions from our Company or any of our Directors, chief executive of our Company, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them; and (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors (and, for LUOYANG Sci-Tech Inv. who will subscribe for our Offer Shares through QDII, such QDII) is financed by our Company or any of our Directors, chief executive of our Company, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates.

To the best knowledge of our Company and as confirmed by each of the Cornerstone Investors, each of the Cornerstone Investors (including LUOYANG Sci-Tech Inv. who will subscribe for our Offer Shares through QDII) makes independent investment decisions, and their subscription under the Cornerstone Placing would be financed by their own internal financial resources, and each of them has sufficient funds to settle their respective investment under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's Offer Shares commence on the Stock Exchange. Since there is no over-allotment option in the International Offering, there will be no delayed delivery of Offer Shares to be subscribed by the Cornerstone Investors.

The total number of Offer Shares to be subscribed by the Cornerstone Investors (and, for LUOYANG Sci-Tech Inv. who will subscribe for our Offer Shares through QDII, such QDII) may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering as described in the paragraphs headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation" in this prospectus. The number of Offer Shares to be acquired by each Cornerstone Investor may be reduced on a *pro rata* basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offering, after taking into account the requirements under Appendix F1 to the Listing Rules. Further, the Cornerstone Investors have agreed that in the event (i) that the requirements under Rule 8.08(3) of the Listing Rules, which stipulates that no more than 50% of the Shares in public hands can be beneficially owned by the three largest public shareholders of the Company, (ii) that the requirement pursuant to Rule 18C.08 of the Listing Rules under which at least 50% of the total number of shares initially offered in the Global Offering must be taken up by independent price setting investors, (iii) the requirement on clawback mechanism under Rule 18C.09 of the Listing Rules, (iv) the public float requirements under Rule 19A.13A(2) of the Listing Rules, or (v) the free float requirements under Rule 19A.13C(2) of the Listing Rules, may not be complied with on the Listing Date, the number of the H Shares to be subscribed for by the Cornerstone Investors may be adjusted to ensure compliance with such rules. Details of the actual number of Offer Shares to be allocated to each of the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or around September 18, 2026.

THE CORNERSTONE INVESTORS

The tables below set forth the details of the Cornerstone Placing and approximate percentage of total number of Offer Shares and percentage of total issued share capital of our Company upon Listing (assuming no Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date), based on different Offer Price scenarios:

			Based on the Offer Price of HK$61.00 (being the high-end of the indicative Offer Price range)	
Cornerstone Investors	**Approximate Subscription Amount(1)**	**Number of Offer Shares(2)**	**Approximate % of the Offer Shares**	**Approximate % of the total issued share capital**
Electronic Channel Limited . . .	HK$35,000,000	573,700	4.09%	0.42%
LUOYANG Sci-Tech Inv.	US$4,950,000	636,400	4.54%	0.47%
Total		**1,210,100**	**8.64%**	**0.90%**

Cornerstone Investors	Approximate Subscription Amount(1)	Number of Offer Shares(2)	Based on the Offer Price of HK$55.00 (being the mid-point of the indicative Offer Price range)	
			Approximate % of the Offer Shares	Approximate % of the total issued share capital
Electronic Channel Limited	HK$35,000,000	636,300	4.54%	0.47%
LUOYANG Sci-Tech Inv.	US$4,950,000	705,800	5.04%	0.52%
Total		**1,342,100**	**9.58%**	**0.99%**

Cornerstone Investors	Approximate Subscription Amount(1)	Number of Offer Shares(2)	Based on the Offer Price of HK$49.00 (being the low-end of the indicative Offer Price range)	
			Approximate % of the Offer Shares	Approximate % of the total issued share capital
Electronic Channel Limited	HK$35,000,000	714,200	5.10%	0.53%
LUOYANG Sci-Tech Inv.	US$4,950,000	792,300	5.65%	0.59%
Total		**1,506,500**	**10.75%**	**1.11%**

Notes:

(1) The investment amount excludes brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee, and (where applicable) is to be converted to Hong Kong dollars based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this prospectus. The actual number of Offer Shares to be subscribed may change due to the exchange rate to be used as prescribed in the relevant Cornerstone Investment Agreements.

(2) Rounded down to the nearest whole board lot of 100 H Shares.

The information about each of the Cornerstone Investors set forth below has been provided by them respectively in connection with the Cornerstone Placing.

Electronic Channel Limited

Electronic Channel Limited is a limited company incorporated in Hong Kong, and is a wholly owned subsidiary of IEIT SYSTEMS Co., Ltd. ("**IEIT SYSTEMS**"), a joint stock company, the A shares of which are listed on the Shenzhen Stock Exchange with stock code of 000977. IEIT SYSTEMS is a provider of innovative IT products and solutions in cloud computing, big data, artificial intelligence, and other areas, with its principal business covering data centre solutions including servers, storage, and switches. IEIT SYSTEMS is indirectly and collectively owned as to over 30% by Shandong Provincial State-owned Assets Supervision and Administration Commission. During the Track Record Period, the Company supplied certain companies controlled by Shandong Provincial State-owned Assets Supervision and Administration Commission with AI infrastructure software and related technical services.

LUOYANG Sci-Tech Inv.

Luoyang Science Technology Innovate Group, Ltd. ("**LUOYANG Sci-Tech Inv.**") was established to implement the innovation-driven development strategy of Luoyang City, with a registered capital of RMB2.38 billion. Its principal business activities include investment and asset management services, among others.

LUOYANG Sci-Tech Inv. is a wholly-owned subsidiary of Luoyang Guohong Investment Holding Group Co., Ltd. ("**Luoyang Guohong**"). Luoyang Industrial Control Group Co., Ltd. and the Department of Finance of Henan Province hold 94.76% and 5.24% of the equity interests in Luoyang Guohong, respectively.

The State-owned Assets Supervision and Administration Commission of Luoyang Municipal People's Government, which is the ultimate beneficial owner of LUOYANG Sci-Tech Inv., holds 100% of the equity interests in Luoyang Industrial Control Group Co., Ltd.

LUOYANG Sci-Tech Inv.'s investment into our Company would be completed through Hwabao Trust Co., Ltd. (華寶信託有限責任公司) ("**Hwabao Trust**"), an asset manager that is a QDII in the PRC. As of December 31, 2025, the trust assets under Hwabao Trust's management amounted to approximately RMB388.7 billion. Hwabao Trust is owned as to 92.90% by China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司), which is wholly owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). There is no other shareholder that holds more than 30.00% equity interest in Hwabao Trust.

CLOSING CONDITIONS

The obligation of each of the Cornerstone Investors to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Underwriting Agreements being entered into and having become effective and unconditional (in accordance with their original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the Underwriting Agreements having been terminated;

(ii) the Offer Price having been agreed upon between the Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);

(iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(iv) the CSRC having accepted the CSRC filings and published the filing results in respect of the CSRC filings on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

(v) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or the respective Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(vi) the respective representations, warranties, undertakings and confirmations of relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are, as of the date of the respective Cornerstone Investment Agreement, and will remain, as of the Listing Date, accurate and true in all respects and not misleading and that there is no breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the "**Lock-up Period**"), dispose of any of the Offer Shares or any interest in any company or entity holding such Offer Shares that it has purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the respective Cornerstone Investor, including the Lock-up Period restriction.

BOARD OF DIRECTORS

Upon Listing, our Board will consist of ten Directors, including six executive Directors and four independent non-executive Directors. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The following table sets forth information regarding our Directors.

Name	Age	Position	Date of appointment as Director	Time of joining our Group	Responsibilities	Relationship with other Directors and senior management
Mr. SUN Yuanhao (孫元浩)	48	Chairman of the Board, executive Director and general manager	April 17, 2014	June 2013	Overall strategic planning, business direction and management of our Group	None
Mr. LV Cheng (呂程)	40	Executive Director and vice president	February 4, 2016	July 2013	Overall management of R&D and technology of our Group	None
Mr. ZHU Junchen (朱珺辰)	37	Executive Director and vice president	April 30, 2017	December 2013	Overall management of product release, quality control, business scenarios exploration and process optimizations of our Group	None
Ms. WEN Ye (溫燁)	47	Executive Director and deputy general manager	January 29, 2019	September 2015	Overall management of daily operations of our Group	None
Mr. ZHANG Liming (張立明)	52	Executive Director and deputy general manager	December 9, 2020	June 2019	Overall business development and operations of our Group	None
Ms. LI Yiduo (李一多)	48	Executive Director, chief financial officer, secretary of the Board and joint company secretary	January 11, 2024	August 2019	Overall management of financial matters, investor relations, and corporate governance related matters of our Group	None
Mr. HUANG Yihua (黃宜華)	63	Independent non-executive Director	December 9, 2020	December 2020	Supervising and providing independent opinion to the Board	None
Mr. MA Dongming (馬冬明)	55	Independent non-executive Director	December 9, 2020	December 2020	Supervising and providing independent opinion to the Board	None
Mr. LIU Dong (劉東)	56	Independent non-executive Director	January 11, 2024	January 2024	Supervising and providing independent opinion to the Board	None
Ms. LIU Jin (劉瑾)	60	Independent non-executive Director	August 4, 2025, with effect from the Listing Date	Listing Date	Supervising and providing independent opinion to the Board	None

Executive Directors

Mr. SUN Yuanhao (孫元浩), aged 48, is our executive Director, chairman of the Board and general manager. Mr. Sun is primarily responsible for overall strategic planning, business direction and management of our Group.

Mr. Sun founded our Group in June 2013, and has been served as our Director and chairman of the Board since April 2014. He also currently holds directorships and managerial positions at certain subsidiaries of our Group. Prior to founding our Group, Mr. Sun held a technical management position at Intel Asia-Pacific Research and Development Co., Ltd. (英特爾亞太研發有限公司) from July 2003 to May 2013. He has been serving as the executive director and general manager of Shanghai Zanxing Investment Management Co., Ltd. (上海贊星投資管理有限公司) since May 2014.

Mr. Sun obtained a bachelor's degree and a master's degree in computer science from Nanjing University (南京大學) in July 2000 and June 2003, respectively.

Mr. LV Cheng (呂程), aged 40, is our executive Director and vice president. Mr. Lv is primarily responsible for overall management of R&D and technology of our Group.

Mr. Lv joined our Group in July 2013. He successively held several positions in our Group since then, including senior software engineer from July 2013 to December 2014, technical director of the infrastructure department from December 2014 to July 2021, and a vice president of our Company since August 2021. He has been appointed as a Director of our Company since February 2016. Prior to joining our Group, Mr. Lv served as a software engineer at Intel Asia-Pacific Research and Development Co., Ltd. (英特爾亞太研發有限公司) from June 2008 to June 2013.

Mr. Lv obtained a bachelor's degree in software engineering from Nanjing University in June 2008.

Mr. ZHU Junchen (朱珺辰), aged 37, is our executive Director and vice president. Mr. Zhu is primarily responsible for overall management of product release, quality control, business scenarios exploration and process optimizations of our Group.

Mr. Zhu joined our Group in December 2013. He successively held several positions in our Group since then, including software engineer from December 2013 to November 2015, director of the data engineering department from December 2015 to July 2021, and a vice president of our Company since August 2021. He has been appointed as a Director of our Company since April 2017. Prior to joining our Group, Mr. Zhu was a software engineer at Intel Asia-Pacific Research and Development Co., Ltd. (英特爾亞太研發有限公司) from April 2011 to December 2013.

Mr. Zhu obtained a bachelor's degree in computer science and technology from South China University of Technology (華南理工大學) in July 2010 and a master's degree in software engineering from Nanjing University in June 2012.

Ms. WEN Ye (溫燁), aged 47, is our executive Director and deputy general manager. Ms. Wen is primarily responsible for overall management of daily operations of our Group.

Ms. Wen joined our Group in September 2015. She successively held several positions in our Group since then, including the head of the Beijing branch of our Company from September 2015 to June 2017, and a Director and deputy general manager of our Company since January 2019.

Prior to joining our Group, Ms. Wen served as assistant to president, commercial director, operation director and assistant president successively at Beijing Fuji Rongtong Technology Co., Ltd. (北京富基融通科技有限公司) from August 2008 to August 2015. Ms. Wen worked as a commercial manager at Crownhead Holdings Limited (廣州融通系統集成有限公司) from August 2003 to August 2008, as a commercial staff at Guangzhou Finite Trading Technology Co., Ltd. (廣州菲奈特融通科技有限公司) from August 2000 to August 2003.

Ms. Wen obtained a bachelor's degree in accounting from Jiangxi University of Finance and Economics (江西財經大學) in December 2002.

Mr. ZHANG Liming (張立明), aged 52, is our executive Director and deputy general manager. Mr. Zhang is primarily responsible for overall business development and operations of our Group.

Mr. Zhang joined our Group in June 2019 and has been serving as CSO of our Group since then. He has been appointed as a Director and deputy general manager of our Company since December 2020.

Prior to joining our Group, Mr. Zhang worked at Teradata Information Systems (Beijing) Limited (天睿信科技術(北京)有限公司), with his last position as PS Sr Partner from September 2002 to June 2019, and worked at Shanghai DiAiSi Information Technology Co., Ltd. (上海迪愛斯信息技術有限公司) (formerly known as Shanghai DS Communication Equipment Co. Ltd (上海迪愛斯通信設備有限公司)), with his last position as the manager of technology department from July 1998 to April 2001.

Mr. Zhang obtained a bachelor's degree in computational mathematics and applied software from Nanjing University in July 1995, and a master's degree in operations research and cybernetics from Nanjing University in September 1998.

Ms. LI Yiduo (李一多), aged 48, is our executive Director, chief financial officer, secretary of the Board and a joint company secretary of our Company. Ms. Li is primarily responsible for overall management of financial matters, investor relations, and corporate governance related matters of our Group.

Ms. Li joined our Group in August 2019 and has been serving as our chief financial officer since then. She has been appointed as our secretary of the Board since December 2020 and as a Director of our Company since January 2024.

Prior to joining our Group, Ms. Li served as the chief financial officer at Shanghai Fanmao Investment Management Co., Ltd. (上海帆茂投資管理有限公司) from May 2016 to August 2019. Prior to that, she worked at Shanghai Shunyi Technology Co., Ltd (上海舜易科技有限公司) from February 2011 to May 2016, at Lear (China) Holding Limited (李爾(中國)投資有限公司) from September 2003 to February 2011, and at Deloitte Touche (德勤會計師事務所) from September 1998 to September 2003.

Ms. Li obtained a bachelor's degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in June 2004.

Independent non-executive Directors

Mr. HUANG Yihua (黃宜華), aged 63, is our independent non-executive Director. Mr. Huang is primarily responsible for supervising and providing independent opinion to the Board.

Mr. Huang has been a teacher at Nanjing University since July 2008, and is currently a professor at the Department of Computer Science and Technology at Nanjing University. Mr. Huang has also served as the chairman of the board at Nanjing Hongyun Information Technology Co., Ltd. (南京鴻雲信息科技有限公司) since November 2012, the chairman of the board at Jiangsu Hongcheng Big Data Technology and Application Research Institute Co., Ltd. (江蘇鴻程大數據技術與應用研究院有限公司) since January 2019, a director of Nanjing Hongcheng Zhengtu Education Technology Co., Ltd. (南京鴻程正途教育科技有限公司) since April 2019, the chairman of the board at Maanshan Hongcheng Big Data Technology Co., Ltd. (馬鞍山鴻程大數據科技有限公司) since April 2025, and a director of Nanjing Hongrui Zhitong Medical Technology Co., Ltd. (南京鴻瑞智通醫療科技有限公司) since September 2025.

Mr. Huang obtained a bachelor's degree, a master's degree and a PhD degree in computer science from Nanjing University in July 1983, July 1986 and March 1997, respectively.

Mr. MA Dongming (馬冬明), aged 55, is our independent non-executive Director. Mr. Ma is primarily responsible for supervising and providing independent opinion to the Board.

Mr. Ma served as a director of the China Securities Regulatory Commission Zhejiang Regulatory Bureau (中國證監會浙江監管局) from October 2003 to February 2014, as a director of division the investigation department and accounting department of Shanghai Commissioner's Office of the China Securities Regulatory Commission (中國證監會上海專員辦) from February 2014 to June 2016, as a deputy general manager and secretary of the Board of Directors of Yongan Futures Co., Ltd. (永安期貨股份有限公司, a company listed on Shanghai Stock Exchange under the stock code of 600927) from September 2019 to September 2020. He is a certified public accountant of the PRC (non-practicing member).

Mr. Ma holds or held independent directorship in several companies, including:

- Hangzhou Particle Culture Technology Co., Ltd (粒子文化科技集團(杭州)股份有限公司) from July 2020 to March 2022;

- Zhejiang Shuangyuan Technology Development Co., Ltd. (浙江雙元科技股份有限公司, a company listed on Shanghai Stock Exchange under the stock code of 688623) from December 2020 to December 2023;

- Merit Interactive Co., Ltd. (每日互動股份有限公司, a company listed on Shenzhen Stock Exchange under the stock code of 300766) since May 2022; and

- Proya Cosmetics Co., Ltd. (珀萊雅化妝品股份有限公司, a company listed on Shanghai Stock Exchange under the stock code of 603605) since May 2021.

Mr. Ma obtained a bachelor's degree in financial administration from Zhejiang University of Finance and Economics (浙江財經大學) in June 1992.

Mr. LIU Dong (劉東), aged 56, is our independent non-executive Director. Mr. Liu is primarily responsible for supervising and providing independent opinion to the Board.

Mr. Liu has successively worked as a lawyer, legal representative, executive partner and partner at Shanghai Jinmao Law Firm (上海市金茂律師事務所) since December 2000. Mr. Liu has also been an independent director of Relia Bioengineering Co., Ltd. (瑞萊生物工程股份有限公司) since October 2024.

Mr. Liu is also currently serving as an arbitrator at China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會), an arbitrator at Guangzhou Arbitration Commission (廣州仲裁委員會), an arbitrator at Ningbo Arbitration Commission (寧波仲裁委員會), a specialist mediator of Singapore International Mediation Centre.

Mr. Liu obtained a bachelor's degree in economic law from Nanjing University in July 1992, a master's degree in law from East China University of Political Science and Law (華東政法大學) in June 2002, and a master's degree in commercial law from University of Southampton (UK) in March 2005.

Ms. LIU Jin (劉瑾), aged 60, will be our independent non-executive Director with effect from the Listing Date. Ms. Liu is primarily responsible for supervising and providing independent opinion to the Board.

Ms. Liu served as the China affairs manager at the Hong Kong General Chamber of Commerce (香港總商會) from 1998 to 2002, as the director of the assurance department of PricewaterhouseCoopers from 2002 to 2008, as an executive director of the global banking & markets department at Goldman Sachs (China) Securities Co., Ltd (高盛(中國)證券有限責任公司) from 2008 to 2012, and as a managing director of the global investment banking division at Merrill Lynch Asia Pacific Limited (美林亞太有限公司) from 2012 to 2020. Since 2020, she has been serving as the vice chairman and director of Chengdu WestVac Biopharmaceutical Co., Ltd. (成都威斯克生物醫藥有限公司), an innovative pharmaceutical company, where she is primarily responsible for investment and financing.

Ms. Liu received a bachelor's degree in library science from Sichuan University (四川大學) in China in July 1988 and an MBA degree from ESICAD Business School in France in September 1996.

SENIOR MANAGEMENT

The following table provides information about members of the senior management of our Company.

Name	Age	Position	Date of Appointment as senior management	Time of joining our Group	Responsibilities	Relationship with other Directors and senior management
Mr. SUN Yuanhao (孫元浩)	48	Chairman of the Board, executive director and general manager	April 17, 2014	June 2013	Overall strategic planning, business direction and management of our Group	None
Ms. WEN Ye (溫燁)	47	Executive Director and deputy general manager	January 29, 2019	September 2015	Overall management of daily operations of our Group	None
Mr. ZHANG Liming (張立明)	52	Executive Director and deputy general manager	December 9, 2020	June 2019	Overall business development and operations of our Group	None
Ms. LI Yiduo (李一多)	48	Executive Director, chief financial officer, secretary of the Board and joint company secretary	August 20, 2019	August 2019	Overall management of financial matters, investor relations, and corporate governance related matters of our Group	None

Mr. SUN Yuanhao (孫元浩) is our executive Director, chairman of the Board and general manager. See "— Board of Directors" for his biographical details.

Ms. WEN Ye (溫燁) is our executive Director and deputy general manager. See "— Board of Directors" for her biographical details.

Mr. ZHANG Liming (張立明) is our executive Director and deputy general manager. See "— Board of Directors" for his biographical details.

Ms. LI Yiduo (李一多) is our executive Director, chief financial officer, secretary of the Board and a joint company secretary of our Company. See "— Board of Directors" for her biographical details.

JOINT COMPANY SECRETARIES

Ms. LI Yiduo (李一多) is our executive Director, chief financial officer, secretary of the Board and a joint company secretary of our Company. See "— Senior Management" for her biographical details.

Mr. POON Kin Hei (潘健希) is a joint company secretary of our Company with effect from the Listing Date. He is a manager of the corporate secretarial department in TMF Hong Kong Limited, a company providing corporate accounting and corporate secretarial services in Hong Kong. He has over 10 years of experience in the company secretarial industry. Mr. Poon is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. Poon received a bachelor's degree in engineering from the Chinese University of Hong Kong in December 2002 and a master of science degree in professional accounting and corporate governance from the City University of Hong Kong in July 2011.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SENIOR MANAGEMENT

The Bidding Incident

On May 9, 2026, the Procurement and Asset Management Division of the Logistics Support Department of the National University of Defence Technology ("**NUDT**") issued a notice of suspension (the "**Notice**") on our Company, Mr. Sun (as legal representative of our Company), and Mr. Long Zhenyu ("**Mr. Long**", a former authorized representative of the bid who left the Company in November 2021), concerning our suspected bid rigging in a project which we submitted tender in 2021 (the "**Bidding Incident**"). Pursuant to the Notice, as an interim measure pending NUDT's completion of the investigation of the Bidding Incident, the qualification of our Company and entities whose equity interests are controlled by, or which are managed by Mr. Sun (as legal representative of our Company) to participate in certain military logistics procurement activities was temporarily suspended with effect from May 9, 2026. In August 2026, our Company received the final decision from NUDT ("**Decision**"). Pursuant to the Decision, from 9 May 2026 to 9 May 2027, our Company and entities controlled or managed by Mr. Sun are prohibited from participating in such activities, and Mr. Long is prohibited from acting as a representative for suppliers in such activities (the "**Suspension**").

We first became aware of the Notice on May 10, 2026, via the Military Procurement Network, and promptly commenced an internal investigation. Based on the findings of our internal investigation, we have identified that the Bidding Incident arose due to the unauthorized personal misconduct of our former employee who left the Company in October 2024 involved in the bid process. None of our Group or any Directors or members of our senior management (including Mr. Sun) was aware of, involved in, or had approved the aforesaid former employee's misconduct at the relevant time, or had otherwise derived any benefit from the alleged bid rigging. The aforesaid former employee, at no time, held any position as a Director or member of our senior management.

We confirm that: (i) to the best of the knowledge and belief of our Directors, Mr. Sun and Mr. Long were named in the Notice and the Decision solely by reason of their positions as our legal representative and authorized representative of the bid, respectively, in accordance with NUDT's standard practice, and did not implicate any involvement or misconduct on their parts relating to the bidding process underlying the Bidding Incident, nor any finding of personal wrongdoing against them; (ii) the Decision does not allege or involve any fraud, dishonesty or other wrongdoing on the part of Mr. Sun or Mr. Long personally; (iii) the one-year period of the Suspension represents a lesser penalty than the stipulated three-year suspension period as provided under the applicable rules; (iv) we had not received any enquiry, notice or request for information from the Shanghai Stock Exchange in connection with the Bidding Incident, the Notice, the Decision or the Suspension; and (v) we have continued to refine our existing internal control measures to prevent the recurrence of similar incidents, and our Internal Control Consultant did not identify any material deficiency in the design of our internal controls in respect of our customer bidding management procedures.

Our PRC Legal Advisers are of the opinion that: (i) the Suspension restricts only our Company's participation in military logistics procurement activities and does not constitute an administrative penalty against, or a finding of individual wrongdoing by, Mr. Sun or Mr. Long in their personal capacity; and (ii) Mr. Sun and Mr. Long's being named in the Notice and the Decision arises solely from their positions as the Company's legal representative and authorized representative of the bid under NUDT's standard practice; and (iii) the Notice and the Decision has no implication on Mr. Sun's character, integrity or competence, and does not affect his suitability to act as a director of a listed issuer under the PRC laws or the Shanghai Stock Exchange Listing Rules. Our PRC Legal Advisers' opinion was based on their review of the Notice and Decision, applicable PRC laws and NUDT's internal rules, interview with NUDT, comparable precedent cases, and confirmations from Mr. Sun and the Company.

In light of the aforesaid, our Directors are of the view that the Bidding Incident was an isolated act of misconduct committed by the aforesaid former employee, and does not affect our suitability for listing under Rule 8.04 of the Listing Rules. Further, the Bidding Incident does not indicate any failure by Mr. Sun to exercise due skill, care and diligence, or any oversight failure on his part, and does not affect his suitability under Rules 3.08 and 3.09 of the Listing Rules based on the following:

(a) the Bidding Incident arose from the unauthorized conduct of a former employee, who, without our knowledge, authorization or approval and in deliberate circumvention of our internal controls, provided our bidding materials to a third party. It did not involve any fraud, dishonesty or misconduct on the part of Mr. Sun, any other Director or any member of senior management;

(b) Mr. Sun had no involvement in the bidding process for the relevant project. The bid was submitted at our standard product pricing which, under our pricing and bidding approval procedures then in effect, did not require his approval; approval from the relevant manager of sales and our general manager is required only for bids priced below standard pricing;

(c) Mr. Sun's inclusion in the Notice and the Decision was attributable solely to his status as our legal representative, consistent with NUDT's standard practice of naming the legal representative of a penalized supplier, and not to any conduct or involvement of his in the bidding process; and

(d) the one-year period of the Suspension, which was imposed by NUDT after considering the relevant circumstances of the Bidding Incident, represents a lesser penalty than the stipulated three-year suspension period as provided under the applicable rules.

Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that causes it to cast doubt on the aforesaid view of our Directors.

Our Directors consider that the Bidding Incident and the Suspension will not cause any material adverse impact to our business operations or financial position. Assuming the Suspension had been in effect throughout the Track Record Period, our Directors estimate that the revenue attributable to projects that would have fallen within the scope of the Suspension would have amounted to RMB0.2 million, RMB0.2 million, RMB1.7 million and nil in 2023, 2024, 2025 and three months ended March 31, 2026, respectively, representing 0.04%, 0.05%, 0.38% and nil of our total revenue for the respective years or period. The aforesaid figures are for illustrative purposes only and do not represent any actual impact on our revenue for the Track Record Period, as the Decision applies only to the entry into new contracts subsequent to the date of the Notice. Our Company's qualification to participate in military logistics procurement activities will be automatically reinstated after May 9, 2027, being the end date of the period of the Suspension.

In light of the increasing number of bidding opportunities arising from our Group's business growth and the needs for better security due to the evolving IT environment, we have, as part of our practice of periodic enhancement, continued to refine our existing internal control measures (the "**Enhanced Measures**") with regard to bidding management, as well as the management of confidential information and trade secrets, including (i) requiring our sales and other relevant personnel to enter into enhanced integrity and compliance undertakings; (ii) implementing tiered access permissions over our confidential systems, documents and data according to their level of sensitivity, and managing confidential paper documents through a dedicated archive room; (iii) applying watermarks and access passwords to confidential documents in electronic form, and imposing restrictions on their editing, copying, printing and email forwarding; and (iv) requiring confidential electronic information and important documents to be stored on our authorized or designated devices and back-end servers rather than on personal local devices, with access restricted to authorized personnel. We also provide information security, trade secret and bidding-compliance training to our employees on a regular basis. See also and "Business — Environmental, Social and Governance Matters — Governance — Business Ethics" for details of our governance and policies on business ethics.

Our Internal Control Consultant conducted a review of our customer bidding management procedures and a follow-up review of the Enhanced Measures, and did not identify any material deficiency in the design of our internal controls in respect of our customer bidding management procedures. As of the Latest Practicable Date, no incidents similar to the Bidding Incident had occurred in respect of projects initiated following the implementation of the Enhanced Measures. Based on the foregoing, our Directors are of the view that the Enhanced Measures are adequate and effective to prevent the recurrence of incidents similar to the Bidding Incident and to manage our compliance risks. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that causes it to cast doubt on the aforesaid view of our Directors.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various Board committees. In accordance with the relevant PRC laws and regulations, the Articles and the Listing Rules, we have established our Audit Committee, Remuneration and Appraisal Committee, Nomination Committee and Strategy Committee.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee comprises three members, namely Mr. MA Dongming, Mr. LIU Dong and Ms. LIU Jin as the members of the Audit Committee, with Mr. MA Dongming as the chairperson of the Audit Committee.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management as well as to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The Remuneration and Appraisal Committee comprises three members, namely Mr. LIU Dong, Mr. MA Dongming and Mr. SUN Yuanhao, with Mr. LIU Dong as the chairperson of the Remuneration and Appraisal Committee.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Code on Corporate Governance in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession and evaluate the Board diversity policy. The Nomination Committee comprises three members, namely Mr. LIU Dong, Ms. LIU Jin and Mr. SUN Yuanhao, with Mr. LIU Dong as the chairperson of the Nomination Committee.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The primary duties of the Strategy Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company. The Strategy Committee comprises three members, namely Mr. SUN Yuanhao, Mr. ZHANG Liming and Mr. LV Cheng, with Mr. SUN Yuanhao as the chairperson of the Strategy Committee.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our executive Directors confirms that as at the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require 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 on August 11, 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 has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

CORPORATE GOVERNANCE

We are committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, save as disclosed below, our Company intends to comply with all corporate governance requirements under the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the Listing.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Mr. SUN Yuanhao currently performs these two roles. In view of Mr. SUN Yuanhao's substantial contribution to our Group since our establishment and his extensive experience, our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group and ensures consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The balance of power and authority is not impaired and is ensured by the operation of the senior management and our Board, which comprises experienced individuals. The Board will continue to review the effectiveness of the corporate governance structure of our Group to assess whether the separation of the roles of chairman of the Board and general manager is necessary.

BOARD DIVERSITY

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantages and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of our Company, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. In particular, our Company currently has three female Director in the Board and will continue to work towards enhancing the gender diversity of the Board. Our Directors have a balanced mix of knowledge and skills. We have also taken, and will continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at the Board and the management levels. The Directors are of the view that our Board satisfies the board diversity policy. Pursuant to the board diversity policy, the Nomination Committee will from time to time review the board diversity policy, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives in order to ensure that the policy remains effective. The Company will (i) disclose the biographical details of each Director and (ii) report on the implementation of the board diversity policy (including whether we have achieved board diversity) in its annual corporate governance report.

REMUNERATION

We offer our Directors and senior management members, who are also employees of our Company, emolument in the form of salaries, allowances, bonuses and benefits in kind. Our independent non-executive Directors receive emolument based on their responsibilities (including being members or chairman of Board committees).

The aggregate amount of remuneration which was paid to our Directors (including director's fees, salaries and other benefits, performance based bonuses, retirement benefit scheme contributions and share-based payment expenses) for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 were approximately RMB6.6 million, RMB7.7 million, RMB8.4 million and RMB1.9 million, respectively. It is estimated that the aggregate amount of remuneration (including director's fees, salaries and other benefits, performance based bonuses, retirement benefit scheme contributions and share-based payment expenses) payable to Directors for the year ending December 31, 2026 will be approximately RMB9.3 million under arrangements in force at the date of this prospectus.

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 included two, three, three and four Directors, respectively, whose emolument is included in the aggregate amount we paid to the relevant Directors set out above. For the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, the aggregate amounts of remuneration (including salaries and other benefits, performance based bonuses, retirement benefit scheme contributions and share-based payment expenses) which were paid to the remaining three, two, two and one highest paid individuals who were not Directors were RMB7.2 million, RMB3.6 million, RMB3.5 million and RMB0.4 million, respectively.

During the Track Record Period, no remuneration was paid to, or receivable by, our Directors or the five highest paid individuals of our Company as an inducement to join or upon joining our Company or as a compensation for loss of office in the Track Record Period. Further, none of our Directors had waived any emolument during the same period.

Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals of our Group during the Track Record Period.

CORE R&D MEMBERS

For further details of the experience of our Core R&D Members, see "Business — Research and Development — Core R&D Members" in this prospectus.

We normally enter into employment contracts, confidentiality and IP protection agreements and non-competition agreements with our key management and technical staff. Below sets forth the salient terms of agreements with management and technical staff.

Confidentiality

The employee shall, during the course of employment and thereafter, keep in confidence all technical, operational information or trade secrets belonging to us or other third parties to whom we owe confidentiality obligations. Without our prior consent, the employee shall not leak, disclose, transfer or otherwise make available to any third party, or in any way use any information, such as technical and trade secrets, belonging to us or belonging to any other party for which we have a duty of confidentiality.

Ownership of intellectual properties

The employee acknowledges and agrees that we shall own all intellectual work products he or she (i) produces during the course of employment with us for the purposes of undertaking their duties and responsibilities and (ii) produces using our resources.

Non-competition

We shall have the right to unilaterally initiate a non-competition period of up to two years following the termination of employment. During the term of employment and the non-competition period initiated by us, the employee shall not engage in any competitive behavior specified in the agreements.

Compensation for breach of covenants

If the employee breaches the obligations under the confidentiality, IP and non-competition agreement, we shall be entitled to recover from the employee any losses incurred and any profits earned by the employee as a result of the breaches.

COMPLIANCE ADVISOR

We have appointed China Everbright Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise us in the following circumstances:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might constitute a notifiable or connected transaction under the Listing Rules, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

(c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and

(d) where the Stock Exchange makes an inquiry of us regarding unusual price movement and trading volume of the Shares or any other matters under Rule 13.10 of the Listing Rules.

The term of appointment of the compliance advisor shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

You should read the following discussion and analysis in conjunction with our consolidated financial information included in the Accountants' Report set out in Appendix I to this prospectus, together with the accompanying notes. Our historical financial information and the consolidated financial statements of our Group have been prepared in accordance with the IFRSs, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. Our actual results could differ materially from those anticipated in the forward-looking statements due to various factors, including those discussed in the sections headed "Forward-Looking Statements," "Risk Factors" and elsewhere in this prospectus. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this prospectus may be due to rounding.

OVERVIEW

We are a leading AI infrastructure software provider in China. Through deep integration of AI, big data, and cloud technologies, we enable enterprises to efficiently build AI infrastructure software that drives intelligent transformation and business model innovation across industries. In today's environment, marked by exponential data growth, mounting risks of technological bottlenecks, and urgent demand for enterprise-level digital and intelligent upgrades, building secure, high-performance, domestically developed AI and data infrastructure software has become a strategic imperative at the national, industrial, and enterprise levels. Our Company was founded to meet this demand and to establish a secure, self-reliant data infrastructure supporting technological innovation.

We are one of the earliest companies in China to focus on the development of AI and big data infrastructure software, and we have established significant first-mover advantages and deep technical capabilities. We provide enterprise-grade AI infrastructure software and services that cover the full data lifecycle, from integration, storage, and governance to modeling, analytics, mining, and circulation. Through years of in-house R&D, we have built a new-generation AI infrastructure software matrix comprising our big data and cloud foundation platforms (TDH and TDC), distributed databases (ArgoDB and KunDB), data development and governance tools (TDS), AI platforms for LLM and machine learning operations (LLMOps and MLOps), and a knowledge platform (TKH). Together, these products deliver end-to-end solutions from data to knowledge and from model to application, helping enterprises across industries accelerate intelligent transformation and rebuild their competitive advantages.

As of March 31, 2026, our products and solutions had been deployed across more than ten industries, including finance, government, energy, healthcare, transportation, and manufacturing, serving over 1,800 customers, including 105 companies listed in the Fortune China 500. From 2023 to the first quarter of 2026, revenue from repeat purchases by existing customers accounted for an average of over 70% of our total revenue, reflecting the loyalty and stickiness of our customer base.

During the Track Record Period, we generated revenue primarily from (i) the offering of our AI and big data infrastructure software and related services; and (ii) the provision of consulting services to customers across various sectors and industries. In 2023, 2024 and 2025 and three months ended March 31, 2026, we recorded revenue of RMB490.5 million, RMB370.8 million, RMB447.1 million and RMB81.2 million, respectively. In the same periods, we incurred a loss for the years/periods of RMB289.2 million, RMB344.3 million, RMB245.2 million and RMB56.0 million.

BASIS OF PRESENTATION

The historical financial information of our Group has been prepared in accordance with IFRS Accounting Standards ("**IFRSs**") issued by the International Accounting Standards Board. The historical financial information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each period during the Track Record Period.

The preparation of the historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to our historical financial information are disclosed in Note 5 of the Accountants' Report in Appendix I to this prospectus.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

We believe that our operational results and financial conditions are impacted by several company-exclusive factors, including the following:

Our Ability to Grow Customer Base and Deepen Customer Relationships

Our ability to deepen our relationships with existing customers and foster our customer base serves as the foundation for our operational performance and future growth. A steady customer base expansion entails an elevation in our reputation and brand recognition, thereby attracting prospective companies from various industries. In 2023, 2024, 2025 and three months ended March 31, 2026, we served 575, 521, 558 and 310 customers, respectively, in connection with our software products, services and solutions. As of March 31, 2026, we have served an aggregate of over 1,800 customers accumulatively.

Our ability to deepen our relationships with existing customers is a primary force of recurring revenue and long-term financial performance. A large amount of our customers continue to purchase software licenses and engage us for ongoing technical services after their initial deployment. From 2023 to the first quarter of 2026, revenue from repeat purchases by existing customers accounted for an average of over 70% of our total revenue, reflecting our strong customer retention and sustained growth momentum. This stickiness is supported by the reliability and performance of our products, as well as the quality of our implementation and customer support. High retention improves revenue visibility and operating efficiency by reducing acquisition costs and increasing the lifetime value of each customer. In parallel, we are also focused on expanding our customer base by targeting large-scale and fast-growing industries spanning finance, government, healthcare, energy, and manufacturing. Our ability to attract new customers is underpinned by our innovative product offerings, brand reputation, and targeted marketing strategies. A growing base of satisfied customers further drives referrals and enhances our market credibility. Overall, both customer retention and new customer acquisition play a critical role in driving our revenue growth and will continue to materially affect our results of operations.

Our Product Mix and Value Creation for Customers

We are committed to developing and delivering innovative software platforms and services that address the full spectrum of our users' digital transformation needs. Leveraging our in-house R&D capabilities, we have built a product portfolio spanning infrastructure software, services, and scenario-specific solutions. Our infrastructure software business, which generally carries a higher gross profit margin, has consistently contributed a majority of our revenue during the Track Record Period. The composition of our product portfolio has a direct impact on our gross profit and overall profitability. A higher proportion of standardized, modular, or AI-native software in our sales mix can help improve gross margin, while also enhancing customer scalability and product stickiness.

Our Research and Development Capabilities

We operate in a sector defined by rapid technological innovations with evolving demands for advanced products, services and solutions. Our research and development capabilities serve as the backbone of the success and attractiveness of our products, services and solutions in this highly competitive market. Our ability to expand and cement our market position, implement our growth strategies and achieve long-term profitability significantly depends on the achievements of our research and development projects.

We have invested heavily in our research and development efforts, including recruiting key research and development personnel and engaging in varied research and development projects and activities. In 2023, 2024 and 2025 and three months ended March 31, 2025 and 2026, we invested RMB244.9 million, RMB262.4 million, RMB250.6 million, RMB60.7 million and RMB55.8 million in research and development, of which RMB21.8 million, RMB35.1 million, RMB46.5 million, RMB12.0 million and RMB9.6 million were capitalized. The staff costs accounted for the largest proportion of our research and development expenses. Our R&D staff attrition rate was 14.0%, 21.6% and 22.9% for each year during the Track Record Period, respectively, and 4.9% for the three months ended March 31, 2026, reflecting our enhanced efficiency in allocating human resources to research and development, which will not adversely affect our future research and development capabilities.

Our research and development capabilities may be subject to changes in several factors, including, among others, our decision and vision to precisely and timely capture the trend of technology advancements, our ability to retain and recruit talents with related expertise and the effectiveness and progress of our product upgrades. In addition, the commercial reception of our products, services and solutions will vary from market reception, which will affect our return on our research and development investments. All of these factors will affect our financial performance and results of operations.

Our ability to effectively manage costs and operating expenses is a key driver of our path to profitability. During the Track Record Period, our overall gross profit margin remained relatively stable. Operating expenses, which primarily comprise selling expenses, administrative expenses, and research and development expenses, fluctuated during the Track Record Period as we expanded our business and diversified our product offerings. Our cost of sales and operating expenses may be influenced by a variety of factors that could impact our future profitability.

A significant portion of our investment was directed toward developing modularized products to meet various customers' needs, thereby accelerating digital transformation and AI adoption. We also spent substantial sales and marketing expenditures to strategically expand our customer base in a highly competitive market environment. These initiatives, while supporting our long-term growth, have contributed to short-term cost pressures.

Going forward, our operating expenses may continue to vary with changes in employee headcounts, compensation levels, and business activity requirements. Our ability to exercise disciplined control over selling, administrative, and research and development expenses, while ensuring adequate investment in high-potential growth areas, will directly affect our operating results and profitability. We plan to continuously evaluate and monitor the effectiveness and efficiency of our business activities and marketing initiatives, with the aim of leveraging greater economies of scale to improve operating efficiency and margin performance.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Our management continuously evaluates these estimates, assumptions and judgments based on historical experience and other factors that are deemed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our material accounting policies, judgments and estimates are set forth in further details in Notes 4 and 5 to the Accountants' Report included in Appendix I in this prospectus. We prepare our consolidated financial information in accordance with IFRSs, which requires us to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Material Accounting Policies

Revenue Recognition

AI and Big Data Infrastructure Software and Related Technical Services

Our AI and big data infrastructure software and related technical services mainly comprise sale of self-developed AI and big data infrastructure software license and technical services to ensure the successful deployment, integration, and sustained performance of our software.

Revenue from sale of software license is recognized at a point in time. For the sale of software license that do not require installation and deployment, revenue is recognized when the software license is delivered to the customer. For the sale of software license that require installation and deployment, revenue is recognized upon the receipt of customer acceptance after the installation and deployment. The advances received are recognized as contract liabilities until the control of software license has been transferred to the customer.

We provide certain technical service to meet the customers' specific needs with our employees, and we are primarily responsible for ensuring the quality and stability of the available staffing resources. Revenue is recognized overtime measured by unit rate per employee and actual service duration. Contract assets are recognized over the period in which the services are performed representing our right to consideration for the services performed to date because the rights are conditioned on our future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

Revenue from maintenance service included in technical service is considered to be a distinct service as it is regularly supplied by us to customers on a stand-alone basis. Revenue relating to the maintenance services is recognized ratably over the service contract period. Advance consideration is recognized as a contract liability and is released over the period of services.

For other technical services, revenue is recognized upon completion of the services contracts. The advances received are recognized as contract liabilities until the completion of the services contracts.

Consulting Services

Our consulting services comprise a suite of modular, scenario-based offerings designed to accelerate digital transformation and AI adoption across key industries such as finance, government, healthcare, energy and manufacturing.

We provide certain consulting services to meet the customers' specific needs with our employees, and we are primarily responsible for ensuring the quality and stability of the available staffing resources. Revenue is recognized overtime measured by unit rate per employee and actual service duration. Contract assets are recognized over the period in which the services are performed representing our right to consideration for the services performed to date because the rights are conditioned on our future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

For other consulting services, revenue is recognized upon completion of the services contracts. The advances received are recognized as contract liabilities until the completion of the services contracts.

Other Business

Our other business primarily consists of the optimization and sale of third-party hardware and software products in connection with our AI and big data infrastructure software and related technical services. Revenue is recognized when control of the goods has been transferred, being when the goods have been delivered to the customers. The advances received are recognized as contract liabilities until the control of goods has been transferred to the customer.

Financial Assets

Classification and Subsequent Measurement of Financial Assets

Financial assets that meet the following conditions are subsequently measured at amortised cost: (i) the financial asset is held within a business model whose objective is to collect contractual cash flows; and (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"): (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income: Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL: Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Intangible Assets

Internally-generated Intangible Assets — Research and Development Expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) the ability to use or sell the intangible asset; (iv) how the intangible asset will generate probable future economic benefits; (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Critical Accounting Judgements and Estimates

Provision of ECL for Trade Receivables and Contract Assets

Trade receivables with credit-impaired are assessed for ECL individually.

In addition, we use practical expedient in estimating ECL on trade receivables and contract assets which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration our historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

DESCRIPTION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

The table sets forth our selected consolidated statements of profit or loss for the years/periods indicated derived from our consolidated statements of profit or loss set out in the Accountants' Report included in Appendix I to this prospectus:

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB'000, except for percentages)			*(Unaudited)*	
Revenue	490,533	370,755	447,069	64,205	81,242
Cost of sales	(233,799)	(192,026)	(211,059)	(40,752)	(47,607)
Gross profit	256,734	178,729	236,010	23,453	33,635
Other income	34,213	28,120	36,455	7,180	3,644
Other gains and losses, net	26,336	14,880	7,947	1,071	2,764
Selling expenses	(235,123)	(203,961)	(159,788)	(36,722)	(29,546)
Administrative expenses	(128,675)	(118,589)	(114,213)	(31,075)	(22,445)
Listing expenses	–	–	(670)	–	(454)
Research and development expenses	(223,065)	(227,328)	(204,061)	(48,756)	(46,160)

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB'000, except for percentages)			*(Unaudited)*	
Impairment losses under expected credit loss ("ECL") model, net of reversal	(16,783)	(13,192)	(43,668)	1,829	2,873
Finance costs	(2,805)	(2,940)	(2,224)	(676)	(270)
Share of results of associates	–	–	(944)	(27)	(40)
Loss before tax	(289,168)	(344,281)	(245,156)	(83,723)	(55,999)
Income tax expense	–	–	(14)	–	–
Loss for the year	**(289,168)**	**(344,281)**	**(245,170)**	**(83,723)**	**(55,999)**
Loss attributable to:					
Owners of the Company	(288,243)	(343,462)	(245,170)	(83,578)	(55,999)
Non-controlling interests	(925)	(819)	–	(145)	–
	(289,168)	(344,281)	(245,170)	(83,723)	(55,999)

Revenue

During the Track Record Period, we generated revenue primarily from (i) AI and big data infrastructure software and related technical services; (ii) the provision of consulting services; and (iii) other business. For details, see "Business — Our Business Lines and Business Model."

Revenue by Business Lines

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

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						*(Unaudited)*			
AI and big data infrastructure software and related technical services										
Infrastructure software	132,424	27.0	57,864	15.6	54,009	12.1	6,345	9.9	7,359	9.1
Comprehensive software and services	184,266	37.5	145,222	39.2	211,548	47.3	20,250	31.5	38,319	47.2
Technical services	73,351	15.0	81,094	21.9	96,465	21.6	12,816	20.0	16,440	20.2
Sub-total	390,041	79.5	284,180	76.7	362,022	81.0	39,411	61.4	62,118	76.5
Consulting services	79,091	16.1	72,759	19.6	69,559	15.6	22,109	34.4	13,759	16.9
Other business	21,401	4.4	13,816	3.7	15,488	3.4	2,685	4.2	5,365	6.6
Total	**490,533**	**100.0**	**370,755**	**100.0**	**447,069**	**100.0**	**64,205**	**100.0**	**81,242**	**100.0**

AI and Big Data Infrastructure Software and Related Technical Services

Our revenue decline in 2024 was primarily attributable to decreased sales volume, delays in project bidding, delivery, inspection and acceptance for certain large enterprise and government projects, driven by a more cautious procurement environment among government or state-owned customers, as many faced slower economic conditions and tightened fiscal budgets during the year. As a result, customers extended internal approval procedures, postponed project kick-off and slowed acceptance progress, which affected the timing of revenue recognition despite stable underlying demand for our AI and big data infrastructure software and related technical services. Consistent with these market conditions, our revenue recognition pace across several key verticals, particularly the government, healthcare and transportation sectors, was slower than in previous years, reflecting broad-based deferrals in customer procurement rather than any reduction in contract value or delivery capability. According to Frost & Sullivan, the overall AI infrastructure software market experienced uneven performance across sectors in 2024.

Our revenue from the sales of infrastructure software decreased by 56.3% from RMB132.4 million in 2023 to RMB57.9 million in 2024 primarily due to the prolonged settlement cycles and acceptance procedures of the customers. Our revenue from the sales of infrastructure software decreased further by 6.7% to RMB54.0 million in 2025 primarily because more of our key customers opted for our comprehensive software and services to meet their integrated needs, resulting in lower revenue from standalone infrastructure software. Our revenue from the sales of infrastructure software increased by 16.0% from RMB6.3 million for the three months ended March 31, 2025 to RMB7.4 million for the three months ended March 31, 2026, primarily due to an increase in continuous system expansion demands from customers across diversified sectors to enhance their data infrastructure and autonomous computing capabilities.

Our revenue from comprehensive software and services decreased from RMB184.3 million in 2023 to RMB145.2 million in 2024 primarily attributable to the decrease in the sales volume and the timing of contracts signed with customers. Our revenue from comprehensive software and services increased significantly from RMB145.2 million in 2024 to RMB211.5 million in 2025, primarily driven by increased market adoption amid the ongoing expansion of AI, which resulted in a higher number of new customers and orders. Our revenue from comprehensive software and services increased significantly from RMB20.3 million for the three months ended March 31, 2025 to RMB38.3 million for the three months ended March 31, 2026, primarily attributable to increased procurement demands from government and state-owned enterprise, fueled by the accelerating application of AI across different industries in 2026.

Our revenue from technical services increased by 10.6% from RMB73.4 million in 2023 to RMB81.1 million in 2024 and further increased by 19.0% to RMB96.5 million in 2025. This growth momentum continued into the first quarter of 2026, with our revenue from technical services increasing from RMB12.8 million for the three months ended March 31, 2025 to RMB16.4 million for the three months ended March 31, 2026. This steady growth was primarily driven by the increasing sales volume of our software, as a growing number of customers who purchased our software sought complementary technical services to support their integrated solutions.

Consulting Services

In 2023, 2024 and 2025, and for the three months ended March 31, 2025 and 2026, our revenue from consulting services amounted to RMB79.1 million, RMB72.8 million, RMB69.6 million, RMB22.1 million and RMB13.8 million, respectively, accounting for 16.1%, 19.6%, 15.6%, 34.4% and 16.9%, respectively, of our total revenue for each of the corresponding year/period. Our revenue from consulting services decreased by 8.0% from RMB79.1 million in 2023 to RMB72.8 million in 2024, primarily due to delays in project bidding, inspection and revenue recognition processes. Our revenue from consulting services decreased slightly from RMB72.8 million in 2024 to RMB69.6 million in 2025, as well as from RMB22.1 million for the three months ended March 31, 2025 to RMB13.8 million for the three months ended March 31, 2026, primarily because we prioritized the resources to focus on developing our business under core AI and big data infrastructure software and related technical services.

Other Business

In 2023, 2024 and 2025, and for the three months ended March 31, 2025 and 2026, we derived other revenue of RMB21.4 million, RMB13.8 million, RMB15.5 million, RMB2.7 million and RMB5.4 million, respectively, accounting for 4.4%, 3.7%, 3.4%, 4.2% and 6.6%, respectively, of our total revenue for each of the corresponding year/period. Revenue from our other business decreased from RMB21.4 million in 2023 to RMB13.8 million in 2024, primarily due to a decrease in the sales volume of ancillary hardware and software. Our revenue derived from other business remained relatively stable at RMB15.5 million in 2025. Revenue from our other business increased from RMB2.7 million for the three months ended March 31, 2025 to RMB5.4 million for the three months ended March 31, 2026, primarily because the sales of our integrated software and hardware products, which serve as ancillary components to optimize AI and big data software performance, increased in line with the growth of our core segment, the AI and big data infrastructure software and related technical services. Given our primary focus is placed on the AI and big data infrastructure software and related technical services segment, we only recorded an insignificant proportion of revenue in connection with our other business during the Track Record Period.

Revenue by Downstream Industry Verticals

The following table sets forth the revenue breakdown by downstream industry verticals during the Track Record Period.

	Year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)									
							(unaudited)			
Finance	157,794	32.2	150,001	40.5	178,084	39.8	31,597	49.2	18,510	22.8
Government	155,678	31.7	108,685	29.3	123,193	27.6	5,186	8.1	28,635	35.2
Telecommunications	26,654	5.4	32,162	8.7	11,609	2.6	3,433	5.3	2,851	3.5
Energy	40,731	8.3	26,912	7.3	67,342	15.1	15,038	23.4	6,708	8.3
Manufacturing	12,418	2.5	9,457	2.5	7,243	1.6	2,464	3.8	4,695	5.8
Transportation	27,281	5.6	6,848	1.8	12,621	2.8	1,739	2.7	4,583	5.6
Healthcare	30,600	6.3	5,452	1.5	12,611	2.8	149	0.2	857	1.1
Others	39,377	8.0	31,238	8.4	34,366	7.7	4,599	7.3	14,403	17.7
Total	**490,533**	**100.0**	**370,755**	**100.0**	**447,069**	**100.0**	**64,205**	**100.0**	**81,242**	**100.0**

Our revenue generated from the government sector decreased from RMB155.7 million in 2023 to RMB108.7 million in 2024 primarily due to the prolonged bidding, inspection and revenue recognition processes among government customers in the respective year. Our revenue derived from the government sector increased from RMB108.7 million in 2024 to RMB123.2 million in 2025 primarily due to the increased demand from government driven by the ongoing digital transformation of government services. Furthering this upward momentum, our revenue generated from the government sector increased significantly from RMB5.2 million for the three months ended March 31, 2025 to RMB28.6 million for the three months ended March 31, 2026, with the government sector becoming our largest revenue contributor.

Our revenue generated from the telecommunications sector remained at a high level of RMB26.7 million in 2023 and RMB32.2 million in 2024, primarily attributable to our revenue derived from a leading domestic telecommunications company. Such revenue subsequently decreased to RMB11.6 million in 2025 as the aforementioned project was fully completed, and we did not enter into new contracts with this customer in 2025.

Our revenue generated from the energy sector decreased from RMB40.7 million in 2023 to RMB26.9 million in 2024, mainly attributable to the prolonged revenue recognition process among energy customers in the respective year. Our revenue derived from the energy sector grew significantly from RMB26.9 million in 2024 to RMB67.3 million in 2025, primarily attributable to a major software contract obtained from a leading Chinese energy enterprise. Conversely, our revenue generated from the energy sector decreased from RMB15.0 million for the three months ended March 31, 2025 to RMB6.7 million for the three months ended March 31, 2026, primarily because a major data lake construction project from an energy enterprise was fully delivered in 2025, resulting in no further revenue contribution during the first quarter of 2026.

Revenue by Customer Types

The following table sets forth the revenue breakdown by customer types during the Track Record Period.

	Year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)									
							(unaudited)			
Direct customers	241,938	49.3	188,711	50.9	287,276	64.3	36,541	56.9	39,813	49.0
ISV	52,977	10.8	29,752	8.0	32,332	7.2	12,456	19.4	12,839	15.8
SI	166,117	33.9	129,046	34.8	116,450	26.0	14,774	23.0	22,937	28.2

	Year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						(unaudited)			
Distributors	29,501	6.0	23,246	6.3	11,011	2.5	434	0.7	5,653	7.0
Total	**490,533**	**100.0**	**370,755**	**100.0**	**447,069**	**100.0**	**64,205**	**100.0**	**81,242**	**100.0**

Revenue by Geographic Location

The following table sets forth the revenue breakdown by geographic location during the Track Record Period.

	Year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						(unaudited)			
China										
Eastern China[(1)]	227,425	46.4	153,393	41.4	149,801	33.5	22,190	34.6	29,290	36.1
Northern China[(2)]	98,613	20.1	87,539	23.6	164,922	36.9	32,855	51.2	24,123	29.7
Southern China[(3)]	56,748	11.6	44,847	12.1	39,476	8.8	2,568	4.0	9,867	12.1
Central China[(4)]	24,235	4.9	33,887	9.1	21,421	4.8	2,298	3.6	7,828	9.6
Southwestern China[(5)]	24,196	4.9	21,489	5.8	13,539	3.0	736	1.1	2,195	2.7
Northwestern China[(6)]	47,042	9.6	21,392	5.8	50,525	11.3	3,366	5.2	4,101	5.0
Northeastern China[(7)]	10,479	2.1	5,173	1.4	7,087	1.6	192	0.3	1,100	1.4
Subtotal	488,738	99.6	367,720	99.2	446,771	99.9	64,205	100.0	78,504	96.6
Overseas[(8)]	1,795	0.4	3,035	0.8	298	0.1	–	–	2,738	3.4
Total	**490,533**	**100.0**	**370,755**	**100.0**	**447,069**	**100.0**	**64,205**	**100.0**	**81,242**	**100.0**

Notes:

1. Eastern China comprises of Shanghai Municipality and the Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi, and Shandong Provinces.

2. Northern China comprises of the Beijing and Tianjin Municipalities and the Hebei, Shanxi, and Inner Mongolia Autonomous Region.

3. Southern China comprises of the Guangdong, Guangxi Zhuang Autonomous Region, and Hainan Provinces.

4. Central China comprises of the Henan, Hubei, and Hunan Provinces.

5. Southwestern China comprises of the Chongqing Municipality and the Sichuan, Guizhou, Yunnan, and Tibet Autonomous Region.

6. Northwestern China comprises of the Shaanxi, Gansu, and Qinghai Provinces and the Ningxia Hui Autonomous Region and Xinjiang Uygur Autonomous Region.

7. Northeastern China comprises of the Liaoning, Jilin, and Heilongjiang Provinces.

8. Overseas countries include Singapore, Iraq and Canada.

Our revenue by geographic location was primarily a reflection of our diversified business lines and the concentration of our major customers during a specific period. These variations were mainly driven by product mix and the timing of project milestones achieved, rather than localized market conditions during the Track Record Period.

Our revenue generated from northern China slightly decreased from RMB98.6 million in 2023 to RMB87.5 million in 2024 primarily due to the prolonged bidding inspection and revenue recognition processes among government customers in northern China in light of the macroeconomic conditions. Our revenue generated from northern China increased significantly from RMB87.5 million in 2024 to RMB164.9 million in 2025, primarily attributable to a major software contract obtained from a leading Chinese energy enterprise in northern China. On a quarterly basis, our revenue generated from northern China decreased from RMB32.9 million for the three months ended March 31, 2025 to RMB24.1 million for the three months ended March 31, 2026, primarily due to the project-based nature of our business, whereby certain energy and financial sector projects in Beijing were completed in 2025 and ceased to generate revenue in the first quarter of 2026.

Our revenue generated from northwestern China decreased from RMB47.0 million in 2023 to RMB21.4 million in 2024, primarily due to the completion of a major project with a local data bureau in 2023, which did not contribute to our revenue in 2024. Revenue subsequently rebounded to RMB50.5 million in 2025, primarily attributable to the commencement of a major digital project commissioned by the Xi'an municipal government.

Our revenue generated from overseas markets was immaterial during the Track Record Period, amounting to RMB1.8 million, RMB3.0 million and RMB0.3 million in 2023, 2024 and 2025, respectively. Such fluctuations were primarily driven by changes in the number and scale of overseas customer engagements.

Revenue by Sales Model

Our revenue was derived from both bidding and commercial negotiations in terms of sales model. The table below sets forth the revenue breakdown by sales model during the Track Record Period.

	Year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)									
							(Unaudited)			
Bidding	292,921	59.7	246,357	66.4	337,084	75.4	17,176	26.8	27,941	34.4
Commercial Negotiation	197,612	40.3	124,398	33.6	109,985	24.6	47,029	73.2	53,301	65.6
Total	**490,533**	**100.0**	**370,755**	**100.0**	**447,069**	**100.0**	**64,205**	**100.0**	**81,242**	**100.0**

The table below sets forth the number of bids submitted and bidding success rate during the Track Record Period.

	Year ended December 31,			For the Three months ended March 31,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Number of bids submitted	491	565	561	91	103
Number of projects awarded	289	332	349	45	68
Bidding success rate *(%)*[(1)]	58.9	58.8	62.2	49.5	66.0

Note:

* Bidding success rate represents the number of projects awarded during a year divided by the total number of bids submitted during the same year.

Cost of Sales

Cost of Sales by Nature

During the Track Record Period, our cost of sales primarily consisted of (i) staff costs; (ii) procurement costs; and (iii) others, which primarily including other miscellaneous expenses. In 2023, 2024 and 2025, and for the three months ended March 31, 2025 and 2026, our cost of sales was RMB233.8 million, RMB192.0 million, RMB211.1 million, and RMB40.8 million and RMB47.6 million, respectively, representing 47.7%, 51.8%, 47.2%, 63.5% and 58.6% of our revenue for the same years/periods.

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

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						*(Unaudited)*			
Staff costs	136,256	58.3	117,859	61.4	120,716	57.2	21,846	53.6	22,831	48.0
Procurement of services[(1)], software, and hardware costs	83,269	35.6	62,757	32.7	70,824	33.6	17,458	42.8	18,297	38.4
Others	14,274	6.1	11,410	5.9	19,519	9.2	1,448	3.6	6,479	13.6
Total	**233,799**	**100.0**	**192,026**	**100.0**	**211,059**	**100.0**	**40,752**	**100.0**	**47,607**	**100.0**

Note: (1) Primarily relating to outsourced staff for ancillary services not involving core technologies.

Cost of Sales by Business Line

The table below sets forth a breakdown of our cost of sales by business line for the years/periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						*(Unaudited)*			
AI and big data infrastructure software and related technical services										
Infrastructure software	11,976	5.1	5,649	2.9	6,482	3.1	1,520	3.7	2,264	4.8
Comprehensive software and services	89,614	38.3	76,592	39.9	97,989	46.4	10,931	26.8	22,463	47.2
Technical services	39,605	16.9	34,758	18.1	34,111	16.2	5,514	13.6	5,324	11.2
Sub-total	141,195	60.3	116,999	60.9	138,582	65.7	17,965	44.1	30,051	63.2
Consulting services	78,453	33.6	66,150	34.5	59,993	28.4	20,188	49.5	13,724	28.8
Other business	14,151	6.1	8,877	4.6	12,484	5.9	2,599	6.4	3,832	8.0
Total	**233,799**	**100.0**	**192,026**	**100.0**	**211,059**	**100.0**	**40,752**	**100.0**	**47,607**	**100.0**

Our cost of sales for AI and big data infrastructure software and related technical services, consulting services, and other business fluctuates generally in correspondence to the fluctuations in the revenue during the Track Record Period.

Gross Profit and Gross Margin

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

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	(RMB'000, except for percentages)									
							(Unaudited)			
AI and big data infrastructure software and related technical services										
Infrastructure software	120,448	91.0%	52,215	90.2%	47,527	88.0%	4,825	76.0%	5,095	69.2%
Comprehensive software and services	94,652	51.4%	68,630	47.3%	113,559	53.7%	9,319	46.0%	15,855	41.4%
Technical services	33,746	46.0%	46,336	57.1%	62,354	64.6%	7,302	57.0%	11,116	67.6%
Sub-total	248,846	63.8%	167,181	58.8%	223,440	61.7%	21,446	54.4%	32,066	51.6%
Consulting services	638	0.80%	6,609	9.1%	9,566	13.8%	1,921	8.7%	36	0.3%
Other business	7,250	33.90%	4,939	35.7%	3,004	19.4%	86	3.2%	1,533	28.6%
Total	**256,734**	**52.3%**	**178,729**	**48.2%**	**236,010**	**52.8%**	**23,453**	**36.5%**	**33,635**	**41.4%**

Our gross profit decreased by 30.4% from RMB256.7 million in 2023 to RMB178.7 million in 2024, reflecting the overall decline in revenue and product mix shift in 2024. In 2025, our gross profit increased by 32.0% from RMB178.7 million to RMB236.0 million in 2025, in line with the revenue growth in 2025. Our gross profit increased by 43.4% from RMB23.5 million for the three months ended March 31, 2025 to RMB33.6 million for the three months ended March 31, 2026, primarily driven by our revenue growth and an increase in gross profit margin.

Our overall gross profit margin decreased from 52.3% in 2023 to 48.2% in 2024, mainly as a result of a decrease in the relative revenue contribution from these higher-margin business lines. In 2025, our overall gross profit margin increased to 52.8%, as compared to 48.2% in 2024. Our gross profit margin increased from 36.5% for the three months ended March 31, 2025 to 41.4% for the three months ended March 31, 2026, primarily driven by an increased revenue contribution from AI and big data infrastructure software and related technical services, which have a higher gross profit margin.

Our consulting services generally carry a significantly lower gross profit margin compared to our infrastructure software business, as the consulting service is primarily established to serve major customers and inherently incurs high staff cost. Our gross profit margin from our consulting services increased from 0.8% in 2023 to 9.1% in 2024 primarily due to (i) the relatively low gross profit margin in 2023, which was affected by certain low-margin projects undertaken to maintain relationships with key enterprise and government customers, as part of our strategy to develop higher-margin business opportunities with such customers, and (ii) our efforts to enhance efficiency in staff cost management as our employees gained experience, resulting in shorter delivery cycles, lower staff costs and improved profitability. Our gross profit margin from our consulting services increased from 9.1% in 2024 to 13.8% in 2025 primarily due to (i) an improved project mix as a result of our strengthened market position, which allowed us to secure and undertake several higher-margin projects in 2025, including an integrated digital resource management platform project for a municipal authority and a financial large model implementation project for an energy group, and (ii) improved delivery efficiency resulting from increased employee proficiency, which reduced time required for project execution and optimized our staff costs. Our gross profit margin from consulting services decreased from 8.7% for the three months ended March 31, 2025 to 0.3% for the three months ended March 31, 2026, primarily because our revenue recognized in the first quarter of 2026 was heavily weighted toward customized government and finance projects, for which we adopted a competitive pricing approach with lower margins to maintain long-term customer relationships and drive sales of our other higher-margin products such as infrastructure software.

Gross Profit and Gross Margin by Customer Types

The following table sets forth a breakdown of our gross profit and gross margin by customer types for the years/periods indicated:

	Year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	(RMB'000, except for percentages)						*(Unaudited)*			
Direct customers	110,965	45.9%	77,878	41.3%	134,656	46.9%	7,942	21.7%	16,889	42.4%
ISV	35,604	67.2%	18,696	62.8%	24,426	75.5%	9,463	76.0%	5,387	42.0%
SI	87,747	52.8%	65,247	50.6%	68,555	58.9%	5,619	38.0%	9,360	40.8%
Distributors	22,418	76.0%	16,908	72.7%	8,373	76.0%	429	98.8%	1,999	35.4%
Total	**256,734**	**52.3%**	**178,729**	**48.2%**	**236,010**	**52.8%**	**23,453**	**36.5%**	**33,635**	**41.4%**

The gross profit and gross profit margin varied cross customer types, primarily due to the mix of products and services procured by different customers. During the Track Record Period, the fluctuations in gross profit and gross profit margin for each customer category were broadly consistent with our overall trend, which showed an initial contraction from 2023 to 2024 followed by a recovery in 2025.

Gross Profit and Gross Margin by Geographic Location

The following table sets forth a breakdown of our gross profit and gross margin by geographic location for the years/periods indicated:

	Year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit/ (Loss)	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	(RMB'000, except for percentages)						*(Unaudited)*			
China										
Eastern China	103,576	45.5%	73,208	47.7%	73,579	49.1%	6,821	30.7%	9,727	33.2%
Northern China	57,116	57.9%	42,241	48.3%	84,955	51.5%	10,736	32.7%	12,743	52.8%
Southern China	28,872	50.9%	19,962	44.5%	23,832	60.4%	1,267	49.3%	1,610	16.3%
Central China	14,095	58.2%	21,647	63.9%	11,419	53.3%	1,846	80.3%	4,034	51.5%
Southwestern China	14,233	58.8%	6,270	29.2%	9,248	68.3%	602	81.8%	1,495	68.1%
Northwestern China	28,973	61.6%	12,066	56.4%	28,695	56.8%	2,023	60.1%	2,821	68.8%
Northeastern China	8,594	82.0%	3,251	62.8%	4,290	60.5%	158	82.6%	608	55.3%
Subtotal	255,459	52.3%	178,645	48.6%	236,018	52.8%	23,453	36.5%	33,038	42.1%
Overseas	1,275	71.0%	84	2.8%	(8)	(2.7)%	–	–	597	21.8%
Total	**256,734**	**52.3%**	**178,729**	**48.2%**	**236,010**	**52.8%**	**23,453**	**36.5%**	**33,635**	**41.4%**

In line with our revenue by geographic locations, the movement in regional gross profit and gross profit margin was primarily a function of the specific mix of products and services delivered in each area, which remained generally consistent with our overall gross profit trend. Accordingly, most regions followed a similar U-shaped trajectory, characterized by a temporary decline from 2023 to 2024 and a rebound in 2025.

We recorded a gross loss of RMB8.0 thousand from overseas operations in 2025, primarily due to increases in market prices for certain hardware components, which constituted a significant portion of our cost of sales and could not be fully passed on under existing contract terms. This temporary and non-recurring mismatch between procurement costs and contract pricing does not reflect our underlying operational performance.

Other Income

During the Track Record Period, our other income primarily consisted of (i) government grants and subsidies, mainly representing subsidies granted by the PRC authorities to support our research and development activities and electronic equipment acquisition, as well as other policy-oriented incentives for our business operations; (ii) tax refunds, primarily representing software value-added tax (VAT) refunds in relation to the sale of self-developed software products; and (iii) bank interest income, primarily representing the income on our term deposits and bank balances. The following table sets forth a breakdown of our other income for the years/periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						*(Unaudited)*			
Other income										
Government grants and subsidies	20,451	59.8	14,641	52.1	13,170	36.1	2,562	35.7	1,624	44.6
Tax refunds	6,843	20.0	8,369	29.8	17,334	47.6	3,498	48.7	521	14.3
Bank interest income	6,919	20.2	5,110	18.1	5,951	16.3	1,120	15.6	1,499	41.1
Total other income	**34,213**	**100.0**	**28,120**	**100.0**	**36,455**	**100.0**	**7,180**	**100.0**	**3,644**	**100.0**

Other Gains and Losses, Net

During the Track Record Period, our other gains and losses primarily consisted of (i) the fair value gains on our financial assets measured at FVTPL, mainly representing the investment income generated from structured deposits and investment in a money market fund. We purchased structured deposits issued by commercial banks in China and invested in a money market fund during the Track Record Period. For details of these investments, see "— Discussion of Selected Items from Consolidated Statements of Financial Position — Financial Assets at FVTPL;" (ii) net foreign exchange gains/(losses), representing the gains/(losses) from the fluctuations in exchange rates; (iii) gains on early termination of leases, representing the gains from the early termination of lease or change of lease due to the adjustment of office space during the Track Record Period; and (iv) others. The following table sets forth a breakdown of our other gains and losses by nature for the years/periods indicated.

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						*(Unaudited)*			
Gain on changes in fair value of financial assets at FVTPL	25,751	97.8	13,730	92.3	9,117	114.7	1,671	156.0	3,945	142.7
Loss on changes in fair value of financial liabilities at FVTPL	–	–	–	–	(44)	(0.6)	–	–	(223)	(8.1)
Net foreign exchange gains (losses)	217	0.8	(634)	(4.3)	(1,703)	(21.4)	(789)	(73.7)	(861)	(31.2)
Gain on early termination of leases	144	0.5	1,072	7.2	71	0.9	–	–	–	–

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						(Unaudited)			
(Loss) gain on disposal of property and equipment	(38)	(0.1)	2	0.0	(32)	(0.4)	(40)	(3.7)	(100)	(3.6)
Others	262	1.0	710	4.8	538	6.8	229	21.4	3	0.2
Total	**26,336**	**100.0**	**14,880**	**100.0**	**7,947**	**100.0**	**1,071**	**100.0**	**2,764**	**100.0**

Note: Indicates less than 0.1

Selling Expenses

During the Track Record Period, our selling expenses primarily consisted of (i) staff costs, including the salaries, bonuses and other employees' benefits for our sales and marketing staff; (ii) travel expenses; (iii) marketing and promotion expenses; (iv) share-based payment; and (v) others. The following table sets forth a breakdown of our selling expenses for the years/periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						(unaudited)			
Staff cost	184,506	78.5	164,792	80.8	134,525	84.2	33,191	90.4	27,728	93.9
Travel expenses	15,320	6.5	13,521	6.6	9,596	6.0	1,698	4.6	809	2.7
Marketing and promotion expenses	22,182	9.4	20,176	9.9	11,463	7.2	890	2.4	230	0.8
Share-based payment	5,566	2.4	(765)	(0.4)	–	–	–	–	–	–
Others	7,549	3.2	6,237	3.1	4,204	2.6	943	2.6	779	2.6
Total	**235,123**	**100.0**	**203,961**	**100.0**	**159,788**	**100.0**	**36,722**	**100.0**	**29,546**	**100.0**

In 2023, 2024 and 2025, and for the three months ended March 31, 2025 and 2026, our selling expenses accounted for 47.9%, 55.0%, 35.7%, 57.2% and 36.4% of our revenue, respectively.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) staff costs, representing salaries, bonuses and other employees' benefits for our management and supporting staff; (ii) rental and property expenses; (iii) share-based payment; (iv) professional service fees; representing service fees paid to third-party service providers in connection with ordinary business; (v) office expenses; (vi) depreciation and amortization; (vii) taxes; and (viii) others. The following table sets forth a breakdown of our administrative expenses for the years/periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						(unaudited)			
Staff costs	70,683	54.9	73,782	62.2	70,437	61.7	22,567	72.6	15,036	67.0
Rental and property expenses	22,155	17.2	19,139	16.1	17,284	15.1	4,280	13.8	3,990	17.8
Share-based payment	2,917	2.3	(41)	–*	–	0.0	–	–	–	–

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						(unaudited)			
Professional service fees	8,286	6.4	7,297	6.2	5,952	5.2	1,376	4.4	680	3.0
Office expenses	8,355	6.5	7,626	6.4	6,963	6.1	1,057	3.4	847	3.8
Depreciation and amortization	2,061	1.6	2,033	1.7	1,583	1.4	391	1.3	387	1.7
Taxes and surcharges	2,653	2.1	3,309	2.8	3,693	3.2	523	1.7	730	3.3
Others	11,565	9.0	5,444	4.6	8,301	7.3	881	2.8	775	3.4
Total	**128,675**	**100.0**	**118,589**	**100.0**	**114,213**	**100.0**	**31,075**	**100.0**	**22,445**	**100.0**

Note: * Less than 0.1%.

In 2023, 2024 and 2025, and for the three months ended March 31, 2025 and 2026, our administrative expenses accounted for 26.2%, 32.0%, 25.5%, 48.4% and 27.6% of our revenue, respectively. Staff costs as well as rental and property expenses were the major components of our administrative expenses, representing in aggregate 72.1%, 78.3%, 76.8%, 86.4% and 84.8% of our administrative expenses, respectively, during the same years/periods.

Research and Development Expenses

During the Track Record Period, our research and development costs primarily consisted of (i) staff costs including the salaries, bonuses and other employees' benefits for our R&D staff; (ii) depreciation and amortization; (iii) procurement expenses; (iv) rental and property expenses; (v) share-based payment; and (vi) others. The following table sets forth a breakdown of our research and development costs for the years/periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB'000, except for percentages)						(unaudited)			
Staff costs	186,194	83.5	171,003	75.2	147,215	72.1	37,539	77.0	33,153	71.8
Depreciation and amortization	8,468	3.8	24,637	10.8	25,136	12.3	6,125	12.6	6,115	13.2
Procurement expenses	10,285	4.6	20,892	9.2	22,387	11.0	2,869	5.9	4,950	10.7
Rental and property expenses	6,464	2.9	5,452	2.4	5,292	2.6	1,273	2.6	1,243	2.7
Share-based payment	6,113	2.7	(251)	(0.1)	–	–	–	–	–	–
Others	5,541	2.5	5,595	2.5	4,031	2.0	950	1.9	699	1.6
Total	**223,065**	**100.0**	**227,328**	**100.0**	**204,061**	**100.0**	**48,756**	**100.0**	**46,160**	**100.0**

In 2023, 2024 and 2025, and for the three months ended March 31, 2025 and 2026, our research and development costs accounted for 45.5%, 61.3%, 45.6%, 75.9% and 56.8% of our revenue, respectively.

Impairment Losses/gains on financial assets

During the Track Record Period, our impairment losses on financial assets mainly stem from the allowance for ECLs on trade receivables in the ordinary course of business. We use a provision matrix to calculate ECLs for trade and bills receivables. See "— Material Accounting Policies and Critical Accounting Judgments and Estimates — Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9" for further details.

We recorded impairment losses on financial assets of RMB16.8 million, RMB13.2 million and RMB43.7 million in 2023, 2024 and 2025, respectively. We recorded impairment gains of RMB1.8 million and RMB2.9 million for the three months ended March 31, 2025 and 2026, respectively. Such fluctuations mainly reflected the movement in the balance of our trade receivables as well as the ECL rates, and the individual assessment on impairment by the management. For details, see "— Discussion of Selected Items from Consolidated Statements of Financial Position — Trade and Bills Receivables."

Income Tax Expenses

We did not record any income tax expenses in 2023 and 2024, and for the three months ended March 31, 2025 and 2026, primarily because we recorded loss before tax in the corresponding years. We recorded an income tax expense of RMB14.0 thousand in 2025. We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our subsidiaries are domiciled and operate. Our principal applicable tax rates are set forth as follows:

In China, our taxable income is generally subject to a statutory income tax rate of 25%, except for our Company and certain PRC subsidiaries that enjoy preferential tax rates. During the Track Record Period, our Company and certain PRC subsidiaries qualified as High and New Technology Enterprises ("**HNTE**") and were entitled to a reduced Enterprise Income Tax ("**EIT**") rate of 15% for a three-year term, subject to renewal every three years. In addition, certain small and low-profit PRC subsidiaries qualified for a 20% preferential tax rate. Such preferential tax treatments may change in the future.

Our subsidiary in Singapore is subject to an income tax rate of 17%, but no provision was made during the Track Record Period as there were no taxable profits. No provision was made for income tax in Canada or Hong Kong as there was no assessable profits in these jurisdictions during the Track Record Period. As of the Latest Practicable Date, we had no disputes with any tax authority and had not been subject to any tax investigation, enquiry, penalty or surcharge.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025

Revenue

Our revenue increased by 26.5% from RMB64.2 million in the three months ended March 31, 2025 to RMB81.2 million in the three months ended March 31, 2026, primarily attributable to the steady growth in revenue contribution from the comprehensive software and services in the three months ended March 31, 2026.

AI and big data infrastructure software and related technical services. Revenue from our AI and big data infrastructure software and related technical services increased from RMB39.4 million for the three months ended March 31, 2025 to RMB62.1 million for the three months ended March 31, 2026, primarily driven by increased procurement demands from government and state-owned enterprise, fueled by the accelerating application of AI across different industries in 2026.

Consulting services. Revenue from our consulting services decreased from RMB22.1 million for the three months ended March 31, 2025 to RMB13.8 million for the three months ended March 31, 2026 primarily due to the fact that we prioritized the resources to focus on developing our core AI and big data infrastructure software and related technical services, resulting in a decrease in revenue derived from consulting services.

Other business. Revenue from our other business increased from RMB2.7 million for the three months ended March 31, 2025 to RMB5.4 million for the three months ended March 31, 2026, primarily because the revenue of our integrated software and hardware products, serving as ancillary hardware to optimize the performance of our AI and big data infrastructure software, increased in line with the revenue growth of our core segment, the AI and big data infrastructure software and related technical services.

Cost of Sales

Our cost of sales increased by 16.8% from RMB40.8 million for the three months ended March 31, 2025 to RMB47.6 million for the three months ended March 31, 2026, primarily driven by the increased cost of sales relating to our AI and big data infrastructure software and related technical services in the three months ended March 31, 2026 in line with the business growth.

AI and big data infrastructure software and related technical services. Our cost of sales for AI and big data infrastructure software and related technical services increased from RMB18.0 million for the three months ended March 31, 2025 to RMB30.1 million for the three months ended March 31, 2026 primarily attributable to the increase of procurement of services, software, and hardware costs in line with our business growth.

Consulting services. Our cost of sales for consulting services gradually decreased by 32.0% from RMB20.2 million for the three months ended March 31, 2025 to RMB13.7 million for the three months ended March 31, 2026 in line with the decrease of revenue derived from consulting services.

Other business. Our cost of sales for other business increased from RMB2.6 million for the three months ended March 31, 2025 to RMB3.8 million for the three months ended March 31, 2026, primarily due to higher costs carried from the expanded sales of our integrated software and hardware products during the first quarter of 2026.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 43.4% from RMB23.5 million for the three months ended March 31, 2025 to RMB33.6 million for the three months ended March 31, 2026. Our gross profit margin increased from 36.5% for the three months ended March 31, 2025 to 41.4% for the three months ended March 31, 2026, primarily due to a shift in our product mix characterized by an increased revenue contribution from our AI and big data infrastructure software and related technical services, which has a higher gross profit margin.

AI and big data infrastructure software and related technical services. Our gross profit from our AI and big data infrastructure software and related technical services increased from RMB21.4 million for the three months ended March 31, 2025 to RMB32.1 million for the three months ended March 31, 2026, primarily due to the revenue growth in this segment driven by the accelerating market adoption of AI technologies. The gross profit margin decreased from 54.4% in the three months ended March 31, 2025 to 51.6% in the three months ended March 31, 2026, primarily due to increased amortization from our newly utilized intangible assets allocated to this segment.

Consulting services. Our gross profit from consulting services decreased from RMB1.9 million for the three months ended March 31, 2025 to RMB36.0 thousand for the three months ended March 31, 2026, in line with the decrease of revenue generated from consulting services.

Other business. Our gross profit from our other business increased significantly from RMB0.1 million for the three months ended March 31, 2025 to RMB1.5 million for the three months ended March 31, 2026. The respective gross profit margin increased significantly from 3.2% for the three months ended March 31, 2025 to 28.6% for the three months ended March 31, 2026. The increase in gross profit margin in our other business margin was primarily attributable to a higher revenue contribution from integrated software and hardware products, which typically carry a higher gross profit margin than other products due to their enhanced hardware performance and specialized design tailored for AI technologies.

Other Income

Our other income decreased significantly from RMB7.2 million for the three months ended March 31, 2025 to RMB3.6 million for the three months ended March 31, 2026, primarily due to the decrease of RMB3.0 million in value-added tax refunds.

Other Gains and Losses, Net

Our other gains increased significantly from RMB1.1 million for the three months ended March 31, 2025 to RMB2.8 million for the three months ended March 31, 2026, primarily due to an increase of RMB2.3 million in fair value of financial assets measured at FVTPL following an increase in average balance of our investment in money market funds.

Selling Expenses

Our selling expenses decreased by 19.5% from RMB36.7 million for the three months ended March 31, 2025 to RMB29.5 million for the three months ended March 31, 2026, primarily attributable to (i) a decrease of RMB5.5 million in staff costs, resulting from the optimization of our personnel structure; (ii) a decrease of RMB0.9 million in travel expenses, due to a reduced headcount of our sales personnel; and (iii) a decrease of RMB0.7 million in marketing and promotion expenses.

Administrative Expenses

Our administrative expenses decreased by 27.8% from RMB31.1 million for the three months ended March 31, 2025 to RMB22.4 million for the three months ended March 31, 2026, primarily attributable to a decrease of RMB7.5 million in staff costs, resulting from the optimization of our personnel structure.

Research and Development Expenses

Our research and development expenses decreased by 5.3% from RMB48.8 million for the three months ended March 31, 2025 to RMB46.2 million for the three months ended March 31, 2026, primarily driven by the decrease of RMB4.4 million in staff costs as a result of the decreased headcounts of research and development staff, partially offset by an increase of RMB2.1 million in procurement expenses as we expanded our procurement of Internet Data Center services to support the expansion of our AI business.

Impairment Losses under ECL Model, Net of Reversal

Our impairment losses under the ECL model, net of reversal, increased from RMB1.8 million for the three months ended March 31, 2025 to RMB2.9 million for the three months ended March 31, 2026, primarily due to a decrease in provision for impairment on trade receivables, reflecting a lower trade receivables balance driven by our active collection efforts. The subsequent recovery of outstanding receivables successfully reduced the trade receivables balance, thereby leading to a corresponding decrease in our provision for impairment, which generated an impairment gain from an accounting perspective.

Share of Results of Associates

We recorded share of losses of associates of RMB40 thousand for the three months ended March 31, 2026, reflecting our share of losses from investments in our associate companies.

Income Tax Expense

Due to the loss before tax we recorded, no provision for income tax expenses has been made since we have no assessable profits for the three months ended March 31, 2025 and 2026, respectively.

Loss for the year

As a result of the above, we recorded the loss for the year of RMB83.7 million for the three months ended March 31, 2025, compared to the loss for the year of RMB56.0 million for the three months ended March 31, 2026.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 20.6% from RMB370.8 million in 2024 to RMB447.1 million in 2025, primarily attributable to the steady growth in revenue contribution from the comprehensive software and services in 2025.

AI and big data infrastructure software and related technical services. Revenue from our AI and big data infrastructure software and related technical services increased from RMB284.2 million in 2024 to RMB362.0 million in 2025, primarily driven by increased market demand for AI infrastructure, which enabled us to secure additional high-value contracts and expand our customer base among large-scale enterprise clients.

Consulting services. Revenue from our consulting services decreased from RMB72.8 million in 2024 to RMB69.6 million in 2025 primarily due to the fact that we prioritized the resources to focus on developing our core AI and big data infrastructure software and related technical services, resulting in a slight decrease in revenue derived from consulting services.

Other business. Revenue from our other business remained relatively stable at RMB13.8 million in 2024 and RMB15.5 million in 2025.

Cost of Sales

Our cost of sales increased by 9.9% from RMB192.0 million in 2024 to RMB211.1 million in 2025, primarily driven by the increase in cost of sales relating to our AI and big data infrastructure software and related technical services and other business in 2025.

AI and big data infrastructure software and related technical services. Our cost of sales for AI and big data infrastructure software and related technical services increased from RMB117.0 million in 2024 to RMB138.6 million in 2025 primarily attributable to the increase of procurement of services in line with our business growth.

Consulting services. Our cost of sales for consulting services gradually decreased by 9.3% from RMB66.2 million in 2024 to RMB60.0 million in 2025 in line with the decrease of revenue derived from consulting services.

Other business. Our cost of sales for other business increased significantly from RMB8.9 million in 2024 to RMB12.5 million in 2025, primarily attributable to a shift in our product mix toward hardware-related revenue, which was typically characterized by higher procurement costs and lower gross profit margins.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 32.0% from RMB178.7 million in 2024 to RMB236.0 million in 2025. Our gross profit margin increased from 48.2% in 2024 to 52.8% in 2025, primarily due to an increase in the gross profit margin of our AI and big data infrastructure software and related technical services.

AI and big data infrastructure software and related technical services. Our gross profit from our AI and big data infrastructure software and related technical services increased from RMB167.2 million in 2024 to RMB223.4 million in 2025, primarily due to the revenue growth in this segment driven by the accelerating market adoption of AI technologies. The gross profit margin increased from 58.8% in 2024 to 61.7% in 2025, primarily attributable to an optimized product mix featuring a greater proportion of high-margin software products, as well as continued optimization of our products and enhanced delivery efficiency.

Consulting services. Our gross profit from consulting services increased from RMB6.6 million in 2024 to RMB9.6 million in 2025. The respective gross profit margin increased significantly from 9.1% in 2024 to 13.8% in 2025. The improvement in the gross profit and gross profit margin in 2025 was primarily due to enhanced pricing power driven by our strengthened market position, as well as improved delivery efficiency, which optimized our staff costs.

Other business. Our gross profit from our other business decreased significantly by 39.2% from RMB4.9 million in 2024 to RMB3.0 million in 2025. The respective gross profit margin decreased significantly from 35.7% in 2024 to 19.4% in 2025. The decline in gross profit margin in our other business margin was primarily attributable to a higher revenue contribution from hardware products, which typically carry a lower gross gross profit margin than other products. However, as this segment accounted for an immaterial portion of our total revenue, the fluctuation did not have a material impact on our overall gross profit margin.

Other Income

Our other income increased by 29.6% from RMB28.1 million in 2024 to RMB36.5 million in 2025, primarily due to an increase of RMB9.0 million in value-added tax refunds.

Other Gains and Losses, Net

Our other gains decreased by 46.6% from RMB14.9 million in 2024 to RMB7.9 million in 2025, primarily due (i) to a decrease of RMB4.6 million in fair value of financial assets measured at FVTPL following a decrease in average balance of our structured deposits; and (ii) an increase in net foreign exchange losses of RMB1.1 million driven by the appreciation of the RMB against our certain foreign currencies in 2025.

Selling Expenses

Our selling expenses decreased by 21.7% from RMB204.0 million in 2024 to RMB159.8 million in 2025, primarily attributable to (i) a decrease of RMB30.3 million in staff costs, representing our continued efforts in optimizing personnel structure; (ii) a decrease of RMB8.7 million in marketing and promotion expenses; and (iii) a decrease of RMB3.9 million in travel expenses, which in aggregate, showcasing our continued efforts in optimizing operational efficiency in 2025.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB118.6 million and RMB114.2 million in 2024 and 2025, respectively.

Research and Development Expenses

Our research and development expenses decreased by 10.2% from RMB227.3 million in 2024 to RMB204.1 million in 2025, primarily driven by the decrease of RMB23.8 million in staff costs as a result of the decreased headcounts of research and development staff.

Impairment losses under ECL model, net of reversal

Our impairment losses under ECL model, net of reversal, increased from RMB13.2 million in 2024 to RMB43.7 million in 2025, primarily due to an increase in provision for impairment losses on trade receivables. This fluctuation included an increase of RMB19.7 million on a collective basis due to the overall aging of trade receivables, and an increase of RMB16.3 million on an individual basis following an assessment of the collection likelihood of long-aged balances.

Share of Results of Associates

We recorded share of losses of associates of RMB0.9 million in 2025, reflecting our share of losses from investments in our associate companies.

Income Tax Expense

Due to the loss before tax we recorded, no provision for income tax expenses has been made since we have no assessable profits in 2024. Notwithstanding our consolidated loss, certain of our subsidiaries generated taxable income, resulting in income tax expenses of RMB14.0 thousand in 2025.

Loss for the year

As a result of the above, we recorded loss for the year of RMB344.3 million in 2024, compared to the loss for the year of RMB245.2 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue decreased by 24.4% from RMB490.5 million in 2023 to RMB370.8 million in 2024 primarily due to decreases in revenue across all of our business segments, including AI and big data infrastructure software and related technical services, consulting services, and other business.

AI and big data infrastructure software and related technical services. Revenue from our AI and big data infrastructure software and related technical services decreased by 27.1% from RMB390.0 million in 2023 to RMB284.2 million in 2024 primarily due to prolonged bidding, inspection and revenue recognition processes, particularly among government and healthcare clients.

Consulting services. Revenue from our consulting services decreased by 8.0% from RMB79.1 million in 2023 to RMB72.8 million in 2024, primarily due to delays in project bidding, inspection and revenue recognition processes.

Other business. Revenue from our other business decreased from RMB21.4 million in 2023 to RMB13.8 million in 2024, primarily due to a decrease in the volume of ancillary optimization and sale of third-party hardware and software products sold to our customers.

Our revenue decline in 2024 was primarily driven by delays in project bidding, delivery, inspection and acceptance for certain large enterprise and government projects. These delays were largely caused by a more cautious procurement environment among government or state-owned customers, as many faced slower economic conditions and tightened fiscal budgets during the year. As a result, customers extended internal approval procedures, postponed project kick-off and slowed acceptance progress, which affected the timing of revenue recognition despite stable underlying demand for our AI and big data infrastructure software and related technical services. Consistent with these market conditions, our revenue recognition pace across several key verticals, particularly the government, healthcare and transportation sectors, was slower than in previous years, reflecting broad-based deferrals in customer procurement rather than any reduction in contract value or delivery capability.

According to Frost & Sullivan, these trends were sector-wide, with government and healthcare spending generally softening while other verticals, such as finance and telecommunications, continued to grow. Our performance in 2024 reflected this sector mix. Unlike certain peers with higher exposure to fast-growing verticals, our customer base includes a meaningful proportion of clients in segments affected by fiscal tightening. Importantly, these impacts were temporary and linked to short-term budgetary and administrative cycles. Procurement and project acceptance schedules have begun to normalize since the second half of 2025, indicating that the 2024 decline was not structural, which is evidenced by our latest financial information for the six months ended June 30, 2025. With stabilizing macro conditions and our continued expansion into industry sectors with stronger spending outlooks, we expect the temporary disruptions experienced in 2024 to continue to ease over time.

Cost of Sales

Our cost of sales decreased by 17.9% from RMB233.8 million in 2023 to RMB192.0 million in 2024 generally in line with the downward trend in our revenue in the corresponding periods.

AI and big data infrastructure software and related technical services. Our cost of sales for AI and big data infrastructure software and related technical services decreased by 17.1% from RMB141.2 million in 2023 to RMB117.0 million in 2024, primarily due to the delayed project bidding, inspection and revenue recognition processes.

Consulting services. Our cost of sales for consulting services decreased by 15.7% from RMB78.5 million in 2023 to RMB66.2 million in 2024, due to our efforts to enhance efficiency in staff cost management.

Other business. Our cost of sales for other business decreased by 37.3% from RMB14.2 million in 2023 to RMB8.9 million in 2024, primarily driven by a decrease in procurement costs, which was in line with the decrease in revenue of other business.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit decreased by 30.4% from RMB256.7 million in 2023 to RMB178.7 million in 2024 and our gross profit margin decreased from 52.3% in 2023 to 48.2% in 2024, primarily due to the decrease of revenue contribution from the infrastructure software and comprehensive software and services, which have higher gross profit margins than consulting services.

AI and big data infrastructure software and related technical services. Our gross profit from our AI and big data infrastructure software and related technical services decreased by 32.8% from RMB248.8 million in 2023 to RMB167.2 million in 2024. The respective gross profit margin decreased from 63.8% in 2023 to 58.8% in 2024. Both decreases were primarily due to a significant decline in the gross profit of high-margin standardized infrastructure software products. The overall delay in the project acceptance, particularly among government and healthcare customers, also contributed to the reduced infrastructure software delivery and recognition of high-margin license revenue during the periods.

Consulting services. Our gross profit from our consulting services increased significantly from RMB0.6 million in 2023 to RMB6.6 million 2024. The respective gross profit margin increased substantially from 0.8% in 2023 to 9.1% in 2024. Both increases were mainly due to our efforts to enhance efficiency in staff cost management.

Other business. Our gross profit from our other business decreased by 31.9% from RMB7.3 million in 2023 to RMB4.9 million 2024, primarily due to a decline in ancillary optimization and sale of third-party hardware and software products. Our gross profit margin remained relatively stable from 33.9% in 2023 to 35.7% in 2024.

Other Income

Our other income decreased by 17.8% from RMB34.2 million in 2023 to RMB28.1 million in 2024, primarily due to the decrease of RMB5.8 million in government grants, because a majority of the government subsidies in 2023 were non-recurring.

Other Gains and Losses

Our other gains decreased by 43.5% from RMB26.3 million in 2023 to RMB14.9 million in 2024, primarily due to a decrease of RMB12.0 million in fair value of financial assets at FVTPL primarily due to a decrease in balance of our structured deposits and investment in a money market fund.

Selling Expenses

Our selling expenses decreased by 13.3% from RMB235.1 million in 2023 to RMB204.0 million in 2024, primarily due to (i) a decrease of RMB19.7 million in staff costs, reflecting the optimized operational structure that enhances organizational efficiency and tampers operational costs, and (ii) a decrease of RMB6.3 million in share-based payment.

Administrative Expenses

Our administrative expenses decreased by 7.8% from RMB128.7 million in 2023 to RMB118.6 million in 2024, primarily contributed by (i) a decrease of RMB3.0 million in our share-based payment primarily reflecting the changes in the estimated equity incentives at both company and individual levels; and (ii) a decrease of RMB3.0 million in rental and property expenses as a result of our stringent cost control measures in 2024.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB223.1 million in 2023 and RMB227.3 million in 2024.

Impairment Losses under ECL Model, Net of Reversal

Our impairment losses under ECL mode, net of reversal, decreased from RMB16.8 million in 2023 to RMB13.2 million in 2024, reflecting the normal fluctuations in our trade and bills receivables in the corresponding periods.

Income Tax Expenses

Due to the loss before tax we recorded, no provision for income tax expenses has been made since we have no assessable profits in the corresponding periods.

Loss for the Year

As a result of the foregoing, our operating loss increased by 19.1% from RMB289.2 million in 2023 to RMB344.3 million in 2024.

DISCUSSION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which are extracted from the Accountants' Report included in Appendix I to this prospectus:

	As of December 31,			As of March 31,	As of July 31,
	2023	2024	2025	2026	2026
			(RMB'000)		*(Unaudited)*
Non-current assets					
Property and equipment	100,062	136,186	102,307	93,147	82,059
Right-of-use assets	37,060	33,282	16,987	12,819	32,369
Intangible assets	21,866	52,802	88,387	92,759	99,618
Interests in associates	–	450	4,296	4,256	3,763
Term deposits	15,011	15,439	70,587	101,123	101,877
Financial assets at FVTPL	12,000	20,000	22,340	23,788	48,168
Prepayments and other receivables	47,834	–	–	–	–
Total non-current assets	**233,833**	**258,159**	**304,904**	**327,892**	**367,854**
Current assets					
Trade and bills receivables	377,432	337,362	265,435	258,956	236,995
Prepayments and other receivables	15,765	24,603	40,219	47,598	60,051
Contract assets	35,737	39,462	48,107	52,623	52,884
Inventories	1,566	1,651	4,779	1,901	2,869
Contract costs	48,686	49,955	47,016	48,502	57,255
Financial assets at FVTPL	595,175	71,652	71,588	66,697	67,303
Bills receivables at fair value through other comprehensive income ("FVTOCI")	–	–	11,684	10,035	3,278
Term deposits	131,916	70,148	30,357	27,043	27,072
Restricted bank deposits	6	6	8	8	8
Cash and cash equivalents	352,748	543,261	353,951	242,910	153,418
Total current assets	**1,559,031**	**1,138,100**	**873,144**	**756,273**	**661,133**
Current liabilities					
Trade, bills and other payables	185,663	142,276	177,235	169,237	143,202
Contract liabilities	38,450	62,574	57,270	55,562	51,776
Borrowings	55,546	40,027	30,036	9,853	50,035
Financial liabilities at FVTPL	–	–	44	267	–
Lease liabilities	14,899	17,206	15,295	11,398	9,599
Provisions	24,150	17,572	23,983	25,659	25,977
Total current liabilities	**318,708**	**279,655**	**303,863**	**271,976**	**280,589**
Net current assets	**1,240,323**	**858,445**	**569,281**	**484,297**	**380,544**
Non-current liabilities					
Lease liabilities	24,058	16,716	1,261	513	20,925
Deferred income	10,264	5,447	10,412	5,163	4,561
Total non-current liabilities	**34,322**	**22,163**	**11,673**	**5,676**	**25,486**
Net assets	**1,439,834**	**1,094,441**	**862,512**	**806,513**	**722,912**

Our net current assets decreased from RMB1,240.3 million as of December 31, 2023 to RMB858.4 million as of December 31, 2024, primarily due to a decrease in financial assets measured at FVTPL from RMB595.2 million as of December 31, 2023 to RMB71.7 million as of December 31, 2024 as a result of our utilization of cash and financial assets in operating activities, partially offset by an increase in cash and cash equivalents from RMB352.7 million as of December 31, 2023 to RMB543.3 million as of December 31, 2024.

Our net current assets decreased from RMB858.4 million as of December 31, 2024 to RMB569.3 million as of December 31, 2025, primarily driven by (i) a decrease in cash and cash equivalents from RMB543.3 million as of December 31, 2024 to RMB354.0 million as of December 31, 2025 as a result of spending on R&D expense, purchasing on PPE and intangible assets during the ordinary course of our business, (ii) a decrease in trade and bills receivables from RMB337.4 million as of December 31, 2024 to RMB265.4 million as of December 31, 2025 as a result of our enhanced collection efforts, and (iii) an increase in trade, bills and other payables from RMB142.3 million as of December 31, 2024 to RMB177.2 million as of December 31, 2025 in line with our business growth, coupled with increased accrued performance bonuses for employee incentives, partially offset by an increase in prepayment and other receivables from RMB24.6 million as of December 31, 2024 to RMB40.2 million as of December 31, 2025 due to our business expansion.

Our net current assets decreased from RMB569.3 million as of December 31, 2025 to RMB484.3 million as of March 31, 2026, primarily due to a decrease in cash and cash equivalents from RMB354.0 million as of December 31, 2025 to RMB242.9 million as of March 31, 2026 driven by purchases of financial assets at FVTPL, repayments of borrowings and our utilization of cash in operating activities, partially offset by a decrease in borrowings from RMB30.0 million as of December 31, 2025 to RMB9.9 million as of March 31, 2026 as a result of the repayment of certain bank borrowings during the first quarter of 2026.

We recorded net assets of RMB1,439.8 million, RMB1,094.4 million, RMB862.5 million and RMB806.5 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. The decreases in the net assets during the Track Record Period were primarily due to the loss for the respective year/period.

Property and Equipment

Our property and equipment consist primarily of electronic equipment, leasehold improvements, office equipment, vehicles and construction in progress. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)			
Electronic equipment	90,583	128,537	98,266	90,049
Leasehold improvements	5,363	7,519	3,941	3,005
Office equipment	198	89	59	52
Vehicles	260	41	41	41
Construction in progress	3,658	–	–	–
Total	**100,062**	**136,186**	**102,307**	**93,147**

Our property and equipment increased significantly by 36.1% from RMB100.1 million as of December 31, 2023 to RMB136.2 million as of December 31, 2024, which was mainly due to (i) the increase in procuring new electronic equipment in line with our business expansion in relation to AI infrastructure, and (ii) the increase in improving and renovating our newly rented office spaces. Our property and equipment then decreased by 24.9% from RMB136.2 million as of December 31, 2024 to RMB102.3 million as of December 31, 2025, primarily due to the depreciation of our electronic equipment. Our property and equipment decreased by 9.0% from RMB102.3 million as of December 31, 2025 to RMB93.1 million as of March 31, 2026, primarily due to the depreciation of our electronic equipment during the ordinary course of business.

Intangible Assets

Our intangible assets primarily consist of development costs, intellectual properties and office software.

Our intangible assets saw a significant increase from RMB21.9 million as of December 31, 2023, to RMB52.8 million as of December 31, 2024, and then increased to RMB88.4 million in 2025, and further increased to RMB92.8 million as of March 31, 2026, primarily due to the capitalization of expenses in relation to our research and development activities in the respective periods. For details, see Notes 19 and 19A in the Accountants' Report in Appendix I.

Impairment Assessment on Non-financial Assets

We identified indicators of impairment for non-current assets including property and equipment, right-of-use assets and intangible assets including development costs as the continuing losses position as of December 31, 2023, 2024 and 2025 and March 31, 2026. Given that we operate as a single CGU, we performed the impairment assessment on non-current assets at the Group level based on the recoverable amount of the CGU as of December 31, 2023, 2024 and 2025 and March 31, 2026.

The basis of the recoverable amounts of the CGU has been determined based on a value in use calculation. The calculation uses cash flow projections with a uniform cut-off date ending December 31, 2030, being the expiry date of the economic useful lives of the relevant core assets. As such, the length of the forecast period shortens at each subsequent impairment assessment date. In particular, as at December 31, 2023, 2024 and 2025 and March 31, 2026, the remaining forecast periods covered by the cash flow projections are 7 years, 6 years, 5 years and 4.75 years respectively. The uniform forecast end date of December 31, 2030 is assessed to be appropriate, having regard to (i) the seven-year economic useful lives of the relevant core assets; (ii) our business plans; and (iii) the expected sustained growth of the AI infrastructure software market in the period up to 2030.

The key assumptions based on our best estimates as adopted for the recoverable amount calculations are as follows:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
Pre-tax discount rate	12.50%	12.00%	11.29%	12.33%
Gross profit margin ratio	55.10%-66.30%	52.97%-60.45%	54.64%-61.02%	54.64%-61.02%

The discount rate used is pre-tax and reflects market assessments of time value and the specific risks relating to industry. The gross profit margin ratio is based on the Group's past performance and management's expectations for the market development.

Apart from pre-tax discount rate and gross profit margin ratio, we consider there are no other key assumptions to the value in use calculation.

Impairment assessment — sensitivity analysis

We performed sensitivity analysis by increasing 1 percentage point of discounts rate or decreasing 2 percentage point of gross profit margin ratio, which are the key assumptions determine the recoverable mount, with all other variables held constant. The range of impact on the amount by which the recoverable amount above its carrying amount ("**headroom**") are as below:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Headroom	109,553	87,740	75,864	79,827
Negative impact by increasing discount rate	(45,649)	(47,138)	(26,663)	(23,391)
Negative impact by decreasing gross profit margin ratio	(108,343)	(82,499)	(75,213)	(70,018)

Based on the results of impairment assessment, there are no impairment losses recognized during the Track Record Period.

We believe that any reasonable possible change in any of above assumptions would not cause the carrying amount of the CGU to exceed the recoverable amount determined as of December 31, 2023, 2024 and 2025 and March 31, 2026.

For more details, see Note 19A to the Accountants' Report included in Appendix I.

Financial Assets at FVTPL

During the Track Record Period, our financial assets at FVTPL primarily consist of (i) structured deposits with reputable PRC banks investment in a money market fund managed by a reputable financial institution measured at FVTPL with variable interest rates; and (ii) unlisted fund investments in the PRC. The following table sets forth the details of our financial assets at FVTPL as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
		(RMB'000)		
Structured deposits	575,000	61,500	50,083	30,116
Money market fund	20,175	10,152	21,505	36,581
Unlisted fund investment	12,000	20,000	22,340	23,788
Total	**607,175**	**91,652**	**93,928**	**90,485**
Analyzed as:				
Current	595,175	71,652	71,588	66,697
Non-current	12,000	20,000	22,340	23,788
Total	**607,175**	**91,652**	**93,928**	**90,485**

Our financial assets at FVTPL decreased from RMB607.2 million as of December 31, 2023, to RMB91.7 million as of December 31, 2024, mainly due to the decreases in the balance of our structured deposits and investment in a money market fund, as we utilized the funds for our business operations. Our financial assets at FVTPL increased to RMB93.9 million as of December 31, 2025, mainly due to the increase in the balance of our unlisted fund investments given we recorded fair value gains in 2025. Our financial assets at FVTPL remained stable at RMB93.9 million as of December 31, 2025 and RMB90.5 million as of March 31, 2026.

We have implemented a series of internal control policies and protocols in connection with the investment in structured deposit and money market funds historically to ensure the purpose of the investment is to preserve capital and liquidity until cash is used to fund our primary business and operation. The internal control polices and protocol are set as the following: (i) our Board of Directors reviews and approves the annual cap of our investments in structured deposit and money market funds; (ii) our senior management team is authorized to make investment decisions based on their financial expertise; (iii) our financial department is responsible for the analysis and research of investments in structured deposit and money market funds, as well as the long-term management of such investments; (iv) our independent non-executive Directors will also monitor the status of our investments and are competent to report any issues they discovered to our Board; and (v) investments in structured deposit and money market funds could be made when we have surplus cash that is not required for our short-term working capital purposes and in no event beyond the amount authorized.

To control our risk exposure, we have in the past sought, and may continue in the future to seek for other low-risk financial products with short maturity terms. In addition, we primarily invest in financial products offered by reputable commercial banks. Once the investment has been made, we will closely monitor its performance and fair value on a regular basis. We will continue to apply the same approach and keep our risk exposure low while utilizing our temporary unused cash. Our investments in these assets will be subject to compliance with Chapter 14 of the Listing Rules after listing.

Prepayments and Other receivables

During the Track Record Period, our prepayments and other receivables primarily consist of (i) deposits; (ii) loans to a third party; (iii) prepayments; (iv) value-added tax recoverable; and (v) others. The following table sets forth our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)			
Deposits	10,813	20,604	20,659	20,708
Loans to a third party	2,000	2,000	2,000	2,000
Others	264	226	205	303
Less: allowance for credit losses	(4,704)	(5,389)	(6,082)	(6,098)
Value-Added Tax ("VAT") recoverable	47	47	–	4,549
Deferred issue costs	–	–	18,642	20,088
Prepayments	55,179	7,115	4,795	6,048
Total	**63,599**	**24,603**	**40,219**	**47,598**
Analyzed as:				
Current	15,765	24,603	40,219	47,598
Non-current	47,834	–	–	–
	63,599	24,603	40,219	47,598

Our prepayments and other receivables decreased by 61.3% from RMB63.6 million as of December 31, 2023 to RMB24.6 million as of December 31, 2024, mainly driven by a significant decrease of RMB48.1 million in prepayments mainly because the procurement of electronic equipment from an independent third party has been accepted in 2024.

Our prepayments and other receivables increased by 63.5% from RMB24.6 million as of December 31, 2024 to RMB40.2 million as of December 31, 2025 primarily due to a significant increase of RMB18.6 million in deferred issue costs driven by the listing expense related to the Global Offering.

Our prepayments and other receivables increased by 18.3% from RMB40.2 million as of December 31, 2025 to RMB47.6 million as of March 31, 2026 primarily due to (i) an increase of RMB4.5 million in value-added tax recoverable; and (ii) an increase of RMB1.4 million in deferred issue costs driven by the listing expense related to the Global Offering.

Trade and Bills Receivables

During the Track Record Period, our trade and bills receivables consist primarily of outstanding amounts due from customers for the purchase of our products, services and solutions. The following table sets forth our trade and bills receivables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)			
Trade receivables from third parties	411,310	381,072	344,614	336,761
Bills receivables from third parties	1,207	3,255	3,828	2,426
Trade receivables from a related party	1,278	30	30	30
Subtotal	413,795	384,357	348,472	339,217
Less: allowance for credit losses	(36,363)	(46,995)	(83,037)	(80,261)
Total	**377,432**	**337,362**	**265,435**	**258,956**

As of December 31, 2023, 2024, 2025 and March 31, 2026, our trade and bills receivables amounted to RMB377.4 million, RMB337.4 million, RMB265.4 million, and RMB259.0 million respectively. Our trade and bills receivables decreased by 10.6% from December 31, 2023 to December 31, 2024, and further decreased by 21.3% as of December 31, 2025, mainly driven by the gradual recollection of our trade receivables from third parties as a result of our enhanced collection efforts, as well as increased impairment provisions in 2025 reflecting heightened credit risk and reduced recoverability of certain trade receivables. Our trade and bill receivables slightly decrease from RMB265.4 million as of December 31, 2025 to RMB259.0 million as of March 31, 2026, primarily attributable to our continuous collection efforts. During the Track Record Period, we experienced certain project delays. However, our policy for recognizing trade receivables for delayed projects does not differ from that for other projects. We recognize trade receivables for delayed projects when the delayed projects are delivered, and we have completed the agreed contractual obligations and obtained the customer's acceptance, entitling us to collect the trade receivables.

The following table sets forth our trade receivables turnover days for the years indicated:

	For the year ended December 31,			For the three months ended March 31,
	2023	2024	2025	2026
Trade receivables turnover days(1)	229	350	243	287

Note: (1) Trade receivables turnover days for the year equal the average of the beginning and ending trade receivables for the year divided by revenue for that year and multiplied by 365.

Our trade receivables turnover days increased from 229 days in 2023 to 350 days in 2024, mainly due to a decrease in our revenue in 2024. In addition, as a result of the project and payment delays described in "Business — Project and Payment Delays," our customers, mainly government and large enterprise clients following milestone-based procurement, inspection and acceptance procedures, generally took longer to complete inspection, acceptance and settlement in 2024, which slowed our cash collection and increased our trade receivables aged over one year from RMB62.9 million as of December 31, 2023 to RMB160.7 million as of December 31, 2024, further prolonging our turnover days. Our trade receivables turnover days decreased to 243 days for 2025, reflecting our intensified efforts in receivables management, enhanced collection procedures, and stricter credit controls to ensure timely cash recovery. These measures, together with the recovery of our revenue in 2025 and the completion of inspection and acceptance of previously delayed projects, contributed to an increase in revenue and a decrease in the average balance of trade receivables, resulting in a significant reduction in our trade receivables turnover days in 2025. Our trade receivables turnover days increased from 243 days in 2025 to 287 days for the three months ended March 31, 2026, primarily attributable to the seasonality of our revenue, whereby lower revenue was recognized in the first quarter, which mathematically prolonged our turnover days.

The following table sets forth the aging analysis of our trade receivables net of allowance for credit losses presented based on dates of rendering of services or delivery of goods as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
		(RMB'000)		
Within 1 year	313,327	173,434	159,429	159,769
1 to 2 years	48,872	135,180	40,936	33,872
2 to 3 years	14,026	25,493	61,242	62,889
Total	**376,225**	**334,107**	**261,607**	**256,530**

Our trading terms with customers are mainly on credit, generally ranging from 30 to 365 days for major customers, depending on project size, customer type and payment history. The relatively long trade receivables turnover days during the Track Record Period were primarily due to the nature of our customer base, mainly government and large enterprise clients, which typically follow milestone-based procurement, inspection and acceptance processes. These procedures often extend across quarters, and, together with the industry pattern of revenue being concentrated in the fourth quarter, result in timing differences between billing, acceptance and payment.

Receivables aged over one year mainly relate to long-cycle government projects, where internal approval and acceptance workflows naturally take longer to complete. Although some contracts include prepayments or milestone payments, differences between the delivery, acceptance and settlement stages may still create temporary cashflow mismatches. Meanwhile, our trade payable turnover days appear short because a significant portion of our cost of sales consists of monthly payroll expenses rather than trade payables, and therefore are not directly comparable to customer settlement cycles.

In addition, the variations of the average loss rates adopted by us in assessing the impairment of trade receivables of different age bands were primarily driven by the differences in the settlement speed and migration rate of receivables within different age bands. Specifically, our expected credit loss rates are mainly driven by the lifetime probability of default, which is closely correlated with the aging migration rate of trade receivables. Receivables in certain age bands exhibit a faster subsequent settlement pace, resulting in a lower aging migration rate and a lower lifetime probability of default, leading to a lower expected credit loss rate. In contrast, receivables in other age bands exhibit a slower settlement pace, which contributes to a higher migration rate and a higher lifetime probability of default, leading to a higher expected credit loss rate.

We have taken a series of measures to improve cash conversion and strengthen working capital management. Since 2025, collection performance has been incorporated into the KPIs of our pre-sales, sales and delivery teams, and we monitor payment progress on a weekly basis. We regularly conduct aging analyses of our receivables and assign dedicated personnel to follow up on overdue balances, proactively communicate with customers, negotiate repayment arrangements where appropriate and escalate collection efforts, including legal actions when necessary. We issue invoices promptly upon project delivery to minimize billing delays and have streamlined our invoicing process to accelerate invoice delivery and processing. We have also aligned supplier payment arrangements with customer collection schedules to help ensure that cash inflows generally precede related outflows. These measures have contributed to gradual improvements in receivable turnover and are expected to further enhance our cashflow stability. However, there is no assurance that these measures will continue to be effective or sufficient to fully mitigate the risks associated with our prolonged cash conversion cycle. See "Risk Factors — Risks Relating to Our Financials — We are subject to risks associated with our prolonged cash conversion cycle, which may adversely affect our liquidity, working capital, financial position and results of operations." For further details, see "Financial Information — Liquidity and Capital Resources — Working Capital Sufficiency."

Trade receivables with credit-impaired are assessed for ECL individually.

We apply a practical expedient to estimate expected credit losses ("**ECL**") on trade receivables by using a provision matrix, except for trade receivables that are individually assessed. The provision rates are determined based on the aging of debtors as a single homogeneous group. These customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The ECL rates in provision matrix are estimated by adopting a migration rate model. It is formulated based on historical loss rate, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which our debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to our core operations.

We recorded credit loss allowance of RMB36.4 million, RMB47.0 million, RMB83.0 million, and RMB80.3 million as of December 31, 2023, 2024, 2025 and March 31, 2026, accounting for approximately 8.8%, 12.2%, 23.8% and 23.7% of our trade and bills receivables at the same dates, respectively, primarily reflecting the growth in our revenue in the corresponding periods.

The increase in credit loss allowances during the Track Record Period was primarily attributable to the growth in impairment provisions assessed on an individual basis and an increasing share of trade receivables with longer aging bands within the provision matrix. Our ECL allowances of trade receivables increased from RMB36.4 million (comprising RMB9.1 million assessed individually and RMB27.3 million assessed collectively) as of December 31, 2023 to RMB47.0 million (comprising RMB17.9 million assessed individually and RMB29.1 million assessed collectively) as of December 31, 2024, primarily attributable to the increase in ECL allowances assessed individually, mainly reflecting the deterioration in the collectability of certain trade receivables in 2024. The trade receivables assessed individually were fully impaired as of December 31, 2024. The ECL allowance for trade receivables assessed collectively remained relatively stable at RMB27.3 million and RMB29.1 million as of December 31, 2023 and 2024, respectively. Our ECL allowances of trade receivables increased further to RMB83.0 million (comprising RMB18.3 million assessed individually and RMB64.7 million assessed collectively) as of December 31, 2025, primarily reflecting an increase in ECL allowances assessed through the provision matrix driven by a notable increase in the proportion of trade receivables falling into longer aging bands. However, there was no indication of deterioration in collectability of such receivables and they were not assessed individually. Based on the Company's ECL assessment model, adequate ECL allowances have been recognized for such trade receivables. While the ECL allowance for trade receivables assessed individually remained relatively stable at RMB17.9 million and RMB18.3 million as of December 31, 2024 and 2025, respectively.

As of July 31, 2026, RMB64.0 million, or approximately 19.0% of our trade and bills receivables as of March 31, 2026, had been subsequently settled.

Certain trade receivables arising from projects completed in 2023 experienced prolonged settlement periods and elevated collection risks and were therefore assessed for impairment on an individual basis. Save for these receivables, we do not anticipate to have any material recoverability issue with remaining outstanding trade and bills receivables in the future given (i) we assess our customers' credit quality carefully, taking into account their business background and qualifications, years of establishment, general risks associated with their businesses, financial position, revenue scale, past transaction records and other factors; (ii) our trade and bills receivables are mainly owed by a selected group of customers with good credit profiles and no history of material defaults on their payment obligations in the past; (iii) we have not experienced any material recoverability issues for our trade receivables throughout the Track Record Period; (iv) we have established a credit rating system for our customers, which are dynamically adjusted based on their operating condition; (v) we have been closely and regularly monitoring our customers' credit profiles, business operations and financial conditions, considering project development status and significant changes (such as corporate restructuring, major lawsuits, substantial shifts in market demand, or large fluctuations in product prices), and taking appropriate proactive follow-up actions; and (vi) we also closely monitor the recoverability status of trade receivables, and enhance our collection efforts, including but not limited to sending demand letters, as appropriate.

Additionally, we believe adequate credit loss allowances have been made to appropriately reflect the recoverability issues identified, as (i) we made credit loss allowances primarily based on the results of our comprehensive impairment assessment as performed on each reporting date (which takes into account the historical payment profiles, historical credit loss rates by industry and data published by external credit rating institution, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables); and (ii) we made credit loss allowances individually once any recoverability issues with particular customers were identified. In particular, certain trade receivables arising from projects completed in 2023 experienced prolonged settlement periods and elevated collection risks and were therefore assessed for impairment on an individual basis, for which adequate credit loss allowances have been recognised.

Contract Assets

Our contract assets represent our rights to receive consideration for obligations performed under some of our sales contracts. These considerations are not yet payable by the customers as they are subject to certain conditions under the relevant contracts. Our contract assets increased from RMB35.7 million in 2023 to RMB39.5 million as of December 31, 2024, increased to RMB48.1 million as of December 31, 2025, and further increased to RMB52.6 million as of March 31, 2026, primarily due to the prolonged settlement cycle and acceptance schedule among our customers in the middle of the year.

As of July 31, 2026, RMB6.8 million, or approximately 10.3% of our contract assets as of March 31, 2026 had been subsequently settled.

Inventories

Our inventories consist primarily of hardware equipment. We recorded inventories of RMB1.6 million, RMB1.7 million, RMB4.8 million and RMB1.9 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. Our inventories remained at a low level during the Track Record Period.

As of July 31, 2026, RMB0.7 million, or approximately 35.7% of our inventories as of March 31, 2026 had been subsequently settled.

Cash and Cash Equivalents

Our cash and cash equivalents were RMB352.7 million, RMB543.3 million, RMB354.0 million and RMB242.9 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. For details, see "— Liquidity and Capital Resources — Cash Flow."

Bills receivables at fair value through other comprehensive income ("FVTOCI")

Our bills receivables at FVTOCI consist primarily of certain bills which were held for the practice of discounting or endorsing to suppliers, amounting to nil, nil, RMB11.7 million and RMB10.0 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. The increase was primarily due to our overall revenue growth and an increasing preference for bill-based settlements among our customers.

Trade, bills and other Payables

Our trade, bills and other payables consisted primarily of (i) trade payables to third-party suppliers for settlement for their services or products provided; (ii) payroll payables in relation to staff salaries and bonuses; (iii) other tax payables; (iv) bills payables and (v) other payables. We are typically given a credit period ranging from 30 to 270 days by our suppliers. The following table sets forth the details of our trade and other payables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)			
Trade payables	94,160	93,979	98,158	91,437
Payroll payable	60,676	16,618	36,953	37,339
Other tax payables	25,479	25,630	25,850	20,569
Other payables	5,348	6,049	5,988	7,062
Bills payables	–	–	5,098	6,312
Accrued issue costs	–	–	5,188	6,518
	185,663	142,276	177,235	169,237
Trade, bills and other payables to third parties	183,837	142,276	177,235	169,237
Trade payables to a related party	1,826	–	–	–
Total	185,663	142,276	177,235	169,237

Our trade, bills and other payables decreased by 23.4% from December 31, 2023 to December 31, 2024, primarily due to a significant decrease of RMB44.1 million in payroll payables, because we accrued less bonus to employees in 2024 as compared to 2023.

Our trade and other payables further increased by 24.6% from RMB142.3 million as of December 31, 2024 to RMB177.2 million as of December 31, 2025, primarily due to (i) an increase of RMB4.2 million in trade payables in line with our revenue growth; (ii) an increase of RMB20.3 million in payroll payable, reflecting the increased performance-based bonuses to our employees following our robust business growth.

Our trade and other payables remained relatively stable at RMB177.2 million as of December 31, 2025 and RMB169.2 million as of March 31, 2026.

The majority of our trade payables are expected to be settled within one year or repayable on demand. 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,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)			
Within 1 year	78,446	63,220	54,008	48,189
Over 1 year	15,714	30,759	44,150	43,248
Total	**94,160**	**93,979**	**98,158**	**91,437**

The following table sets forth our trade payables turnover days for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,
	2023	2024	2025	2026
Trade payables turnover days. .	113	179	166	179

Note: (1) Trade payables turnover days for the year equal the average of the beginning and end trade payables for the year divided by cost of sales for that year and multiplied by 365.

Our trade payables turnover days increased from 113 days in 2023, to 179 days in 2024, mainly due to a decease in our cost of sales in 2024. Our trade payables turnover days decreased to 166 days in 2025 reflecting a higher proportion of service providers in 2025 who required shorter settlement periods, resulting in a decrease in our overall trade payables turnover days. Our trade payables turnover days increased from 166 days in 2025, to 179 days in the three months ended March 31, 2026, primarily attributable to the seasonality of our business, whereby a lower cost of sales was recognized in the first quarter, which mathematically prolonged our turnover days.

As of July 31, 2026, approximately RMB23.8 million, or 26.0%, of our trade payables as of March 31, 2026 had been subsequently settled.

Contract Liabilities

Our contract liabilities represent short-term advances received from customers for the sale of products, services and solutions. We had contract liabilities of RMB38.5 million, RMB62.6 million, RMB57.3 million and RMB55.6 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. The fluctuation in contract liabilities during the Track Record Period was mainly due to our general business expansion, increased orders from customers and the recognition of revenues upon fulfillment of performance obligations.

As of July 31, 2026, RMB22.0 million, or approximately 39.5% of our contract liabilities as of March 31, 2026 had been subsequently settled.

Provisions

We recorded provisions of RMB24.2 million, RMB17.6 million, RMB24.0 million and RMB25.7 million as of December 31, 2023 and 2024, 2025 and March 31, 2026, respectively.

Lease Liabilities

Lease liabilities represent the present value of outstanding lease payments under our lease agreements. We recorded non-current lease liabilities of RMB24.1 million, RMB16.7 million, RMB1.3 million and RMB0.5 million, respectively, as of December 31, 2023, 2024, 2025 and March 31, 2026. We recorded current lease liabilities of RMB14.9 million, RMB17.2 million, RMB15.3 million and RMB11.4 million, respectively, as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. The fluctuations reflect adjustments in our leasing arrangements over time, including termination or renewal of certain leases, addition of new leased properties, or changes in lease terms.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our capital expenditure and working capital requirements mainly through bank borrowings and proceeds from the A share listing. In the foreseeable future, we expect working capital to continue to be our principal requirement of liquidity and we may use a portion of the proceeds from the Global Offering to finance some of our capital expenditures.

Cash Flows

The following table sets forth a summary of our cash flows for the years indicated:

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
			(RMB'000)	*(Unaudited)*	
Operating cash flow before movements in working capital	(235,968)	(291,161)	(157,084)	(74,900)	(51,889)
Net cash used in operating activities	(365,432)	(326,593)	(109,650)	(88,739)	(59,320)
Net cash from (used in) investing activities	434,233	555,456	(53,707)	(164,780)	(26,991)
Net cash from (used in) financing activities	31,621	(37,716)	(24,207)	37,999	(24,115)
Net increase/(decrease) in cash and cash equivalents	100,422	191,147	(187,564)	(215,520)	(110,426)
Cash and cash equivalents at beginning of the year	252,109	352,748	543,261	543,261	353,951
Effect of foreign exchange rate changes	217	(634)	(1,746)	(786)	(615)
Cash and cash equivalents at the end of the year	**352,748**	**543,261**	**353,951**	**326,955**	**242,910**

Net Cash Used in Operating Activities

For the three months ended March 31, 2026, our net cash used in operating activities was RMB59.3 million while our loss for the period was RMB56.0 million. The difference between our loss for the period and our net cash used on operating activities was primarily the results of adjustments for (i) non-cash items of (a) depreciation of property, plant and equipment of RMB7.2 million, (b) depreciation of right-of-use assets of RMB3.8 million, (c) impairment gains under ECL model of RMB2.9 million and (d) gain on changes in fair value of financial assets at FVTPL of RMB3.9 million; and (ii) changes in working capital primarily including a decrease in trade, bills and other receivables of RMB10.9 million, and a decrease in trade, bills and other payables of RMB13.9 million.

In 2025, our net cash used in operating activities was RMB109.7 million while our loss for the year was RMB245.2 million. The difference between our loss for the year and our net cash used on operating activities was primarily the results of adjustments for (i) non-cash items of (a) depreciation of property, plant and equipment of RMB29.8 million, (b) depreciation of right-of-use assets of RMB14.9 million, and (c) impairment losses under ECL model of RMB43.7 million; and (ii) changes in working capital primarily including an increase in trade, bills and other receivables of RMB29.2 million. Such adjustments were partially offset by an increase in contract assets of RMB15.6 million.

In 2024, our net cash used in operating activities was RMB326.6 million while our loss for the year of RMB344.3 million. The difference between our loss for the year and our net cash used on operating activities was primarily the result of (i) adjustments for non-cash items primarily including depreciation of property, plant and equipment of RMB29.9 million; and (ii) changes in working capital primarily including (a) a decrease in trade and bills receivables of RMB29.4 million, and (b) contract liabilities of RMB24.1 million. Such adjustments were partially offset by a decrease in trade and other payables of RMB66.8 million.

In 2023, our net cash used in operating activities was RMB365.4 million while our loss for the year was RMB289.2 million. The difference between our loss for the year and our net cash used on operating activities was primarily the result of adding back (i) non-cash items primarily including (a) depreciation of right-of-use assets of RMB21.7 million, and (b) share-based payment of RMB20.3 million; and (ii) changes in working capital primarily including an increase in trade, bill and other payables of RMB33.7 million. Such adjustments were partially offset by an increase in trade and bills receivables of RMB149.7 million.

Net Cash Flows (Used in)/Generated from Investing Activities

For the three months ended March 31, 2026, net cash used in investing activities was RMB27.0 million, primarily attributable to (i) purchases of financial assets measured at FVTPL of RMB436.0 million, (ii) purchase of intangible assets of RMB7.4 million, and (iii) placement of term deposits of RMB41.1 million, partially offset by (i) proceeds from disposal of financial assets measured at FVTPL of RMB442.8 million, and (ii) withdrawal of term deposits of RMB13.8 million.

In 2025, net cash used in investing activities was RMB53.7 million, primarily attributable to (i) purchases of financial assets measured at FVTPL of RMB3,086.1 million, and (ii) placement of term deposits of RMB94.7 million, partially offset by (i) proceeds from disposal of financial assets measured at FVTPL of RMB3,088.5 million, (ii) withdrawal of term deposits of RMB80.8 million, and (iii) purchase of intangible assets of RMB40.0 million.

In 2024, net cash generated from investing activities was RMB555.5 million, primarily attributable to (i) proceeds from disposal of financial assets measured at FVTPL of RMB3,727.3 million, (ii) withdrawal of term deposits of RMB164.0 million, and (iii) interest received of RMB18.1 million, partially offset by (i) purchases of financial assets measured at FVTPL of RMB3,211.5 million, (ii) placement of term deposits of RMB104.0 million, and (iii) purchase of property and equipment of RMB37.7 million.

In 2023, net cash generated from investing activities was RMB434.2 million, primarily attributable to (i) proceeds from disposal of financial assets measured at FVTPL of RMB6,389.6 million, (ii) withdrawal of term deposits of RMB100.4 million, and (iii) interest received of RMB27.0 million, partially offset by (i) purchases of financial assets measured at FVTPL of RMB5,734.5 million, (ii) placement of term deposits of RMB215.0 million, and (iii) purchase of property and equipment of RMB133.3 million.

Net Cash Flows (Used in)/Generated from Financing Activities

For the three months ended March 31, 2026, net cash used in financing activities was RMB24.1 million, primarily attributable (i) repayments of borrowings of RMB20.0 million, and (ii) repayments of lease liabilities of RMB 3.7 million.

For 2025, net cash used in financing activities was RMB24.2 million, primarily attributable (i) repayments of borrowings of RMB50.0 million, and (ii) repayments of lease liabilities of RMB12.8 million, and (iii) payment of issued costs of RMB13.6 million, partially offset by (i) new bank loans raised of RMB40.0 million, and (ii) proceeds from issue of new shares of RMB13.2 million.

In 2024, our net cash used in financing activities was RMB37.7 million, primarily attributable to (i) repayments of borrowings of RMB55.5 million, and (ii) repayments of lease liabilities of RMB20.8 million, partially offset by proceeds from borrowings of RMB40.0 million.

In 2023, our net cash generated from financing activities was RMB31.6 million, primarily attributable to new bank loans raised of RMB85.5 million, partially offset by (i) repayments of borrowings of RMB30.0 million, and (ii) repayments of lease liabilities of RMB22.7 million.

Cash Operating Costs

The following table provides information regarding our cash operating costs, in accrual basis for the years indicated.

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
Workforce employment[(1)]	561,424	534,834	496,327	124,715	106,467
R&D costs[(2)]	23,146	33,397	35,808	5,840	7,810
Marketing and promotion expenses	22,182	20,176	11,463	890	230
Direct service costs, including materials[(3)]	76,670	58,531	71,279	16,438	14,564

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
Non-income taxes and other charges	20,286	26,816	35,551	13,117	14,550
Total	**703,708**	**673,754**	**650,428**	**161,000**	**143,621**

Notes:

(1) Workforce employment represents the sum of employee benefit expenses under R&D expenses, general and administrative expenses, contract fulfillment costs, selling expenses and development costs (excluding share-based compensation which is non-cash in nature).

(2) R&D costs represent R&D expenses (excluding employee benefit expenses and non-cash items under R&D expenses) and capitalized development costs (excluding employee benefit expenses and non-cash items).

(3) Direct service costs, including materials represent contract fulfillment costs (excluding employee benefit expenses and non-cash items).

Working Capital Sufficiency

Our Directors are of the opinion that, taking into account the estimated net proceeds from the Global Offering and other financial resources available to us, including cash and cash equivalents, term deposits, financial assets at fair value through profit or loss ("**FVTPL**") and bank borrowings, we have sufficient working capital to cover our costs, including research and development expenses, selling expenses, general and administrative expenses and other operating costs, for the next 12 months from the date of this prospectus.

As of March 31, 2026, we had RMB242.9 million in cash and cash equivalents and RMB90.5 million in financial assets at FVTPL. As of July 31, 2026, we had unutilized banking facilities of RMB222.7 million, and we may seek further banking facilities depending on our financing needs. In addition, we expect to receive net proceeds from the Global Offering of approximately HK$700.9 million, based on the mid-point of the indicative Offer Price range of HK$55.00 per Share.

During the Track Record Period, we have implemented a series of stringent cash management measures to improve our net operating cash outflow position. These include coordinated cash collection practices, such as incorporating collection performance into the KPIs of our pre-sales, sales and delivery teams, monitoring payment progress on a weekly basis, issuing invoices promptly upon project delivery, and undertaking structured follow ups on overdue balances. These measures have contributed to gradual improvements in receivable turnover and operating cashflow. As a concrete example, since the first quarter of 2025, aligning KPIs across functions and implementing weekly monitoring have allowed us to accelerate billing and shorten the time between delivery and collection for certain large enterprise projects, thereby reducing timing gaps arising from milestone-based acceptance procedures. In parallel, we have aligned supplier payment terms with customer collection schedules to help ensure that cash inflows generally precede related outflows, which improves liquidity visibility.

We expect our commercialization efforts to continue to be supported by revenue growth under our existing business model, while maintaining cost control and realizing operating efficiencies. In particular, we expect to benefit from the scalability of our technology platform, which supports product delivery across business lines and reduces marginal costs as business volume expands. For further details of our working capital optimization measures and their expected impact, see "Business — Path to Profitability — Optimization of Working Capital."

We define our cash burn rate as the average monthly aggregate amount of (i) net cash used in operating activities, (ii) capital expenditures and (iii) lease payments. Our historical monthly average cash burn rate was RMB43.5 million, RMB32.2 million, RMB14.2 million and RMB23.6 million in 2023, 2024 and 2025 and for the three months ended March 31, 2026, respectively. We had cash and cash equivalents, current portion of term deposits, current portion of financial assets at FVTPL and unutilised banking facilities of RMB469.9 million in aggregate as of March 31, 2026. We assume that our future average cash burn rate will be similar to the historical average monthly rate of RMB16.0 million during the year ended December 31, 2025 and the three months ended March 31, 2026.

Based on this assumption, we estimate that our available cash resources, including 10% of the estimated net proceeds from the Global Offering, will be sufficient to support our operations for approximately 33 months from March 31, 2026. We estimate that our available cash resources would support approximately 29 months of operations if such 10% portion of the estimated net proceeds were excluded, and approximately 67 months if 100% of the estimated net proceeds were included. Our Directors and senior management will continue to closely monitor cash burn, working capital and business development needs to ensure that we maintain an adequate liquidity position.

CAPITAL EXPENDITURES

We regularly incur capital expenditures to expand our operations, upgrade our facilities and enhance our operational efficiency. Our capital expenditures during the Track Record Period relate primarily to the purchases of electronic equipment, office equipment, vehicles, leasehold improvements, as well as intangible assets and investment in an associate. In 2023, 2024 and 2025, and for the three months ended March 31, 2026, we recorded capital expenditures of RMB133.3 million, RMB38.5 million, RMB47.4 million, and RMB7.7 million respectively.

During the Track Record Period, we funded our capital expenditures primarily with bank borrowings and equity financing. We intend to fund our planned capital expenditures through a combination of bank borrowings and financing and net proceeds from the Global Offering. For details, see "Future Plans and Use of Proceeds." Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the PRC, the availability of financing on terms acceptable to us and changes in the regulatory environment in the PRC. We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

INDEBTEDNESS

During the Track Record Period, our indebtedness consisted mainly of interest-bearing bank borrowings and lease liabilities. As of July 31, 2026, being the latest practicable date for the purpose of the indebtedness statement, except as disclosed in this prospectus, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. Our Directors confirm that there has been no material change in our indebtedness position since July 31, 2026 and up to the Latest Practicable Date.

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,	As of July 31,
	2023	2024	2025	2026	2026
			(RMB'000)		*(unaudited)*
Current					
Interest-bearing bank borrowings	55,546	40,027	30,036	9,853	50,035
Lease liabilities	14,899	17,206	15,295	11,398	9,599
Non-current					
Lease liabilities	24,058	16,716	1,261	513	20,925
Total	94,503	73,949	46,592	21,764	80,559

Borrowings

Our bank borrowings were RMB55.5 million, RMB40.0 million, RMB30.0 million, RMB50.0 million as of December 31, 2023, 2024 and 2025 and July 31, 2026, respectively. Substantially all of our bank loans are dominated in RMB and are adjusted in accordance with our operational needs. Certain of our bank loans were secured by intellectual properties owned by us. For details, see Note 30 in the Accountants' Report in Appendix I.

The following table sets forth our interest-bearing borrowings as of the dates indicated:

	As of December 31,			As of March 31,	As of July 31,
	2023	2024	2025	2026	2026
			(RMB'000)		(unaudited)
Unsecured variable-rate bank borrowings	18,015	40,027	–	–	40,012
Unsecured fixed-rate bank borrowings	–	–	10,026	9,853	10,023
Secured variable-rate bank borrowings	37,531	–	20,010	–	–
Total	55,546	40,027	30,036	9,853	50,035

As of July 31, 2026, we had committed banking facilities of RMB259.0 million, of which RMB222.7 million had remained unutilized.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of March 31, 2026, we did not have any contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had entered into certain related party transactions, details of which are set out in Note 39 of the Accountants' Report in Appendix I in this prospectus. All of the amounts due to/from the related parties are trade in nature.

Our Directors are of the view that each of the related party transactions set out in Note 39 of the Accountants' Report in Appendix I to this prospectus was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our results of operations or make our historical results not reflective of our future performance.

R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our R&D expenditure consisted primarily of R&D expenses adjusted by adding back intangible assets related to R&D software acquired from third parties and capitalized and deducting amortization expenses for capitalized intangible assets included in R&D expenditure. The table below sets forth our annual and total R&D expenditure for the years/periods indicated:

	For the year ended/As of December 31,			For the three months ended/ As of March 31,	
	2023	2024	2025	2025	2026
			(RMB'000)	(Unaudited)	
R&D expenses	223,065	227,328	204,061	48,756	46,160

	For the year ended/As of December 31,			For the three months ended/ As of March 31,	
	2023	2024	2025	2025	2026
			(RMB'000)	(Unaudited)	
Adjustments					
Add: Development costs capitalized	21,752	35,146	46,472	11,979	9,588
Annual R&D expenditure	244,817	262,474	250,533	60,735	55,748
Total R&D expenditure			**757,824**[(1)]		**813,572**

Note: (1) Total R&D expenditure for the three financial years prior to Listing.

All of our R&D expenditure during the Track Record Period was attributable to the development and enhancement of our Specialist Technology Products. Our R&D activities are primarily conducted in-house by our own research and development personnel, and we do not engage third parties to undertake outsourced R&D work. Certain external service fees are incurred as part of our R&D process, which mainly relate to ancillary support services such as testing services, data acquisition and cleaning, and database-related security and confidentiality testing, and do not constitute outsourced R&D activities.

The following table sets forth our annual and total operating expenditure for the years/periods indicated:

	For the year ended/As of December 31,			For the three months ended/ As of March 31,	
	2023	2024	2025	2025	2026
			(RMB'000)	(Unaudited)	
R&D expenses	223,065	227,328	204,061	48,756	46,160
Selling expenses	235,123	203,961	159,788	36,722	29,546
Administrative expenses	128,675	118,589	114,213	31,075	22,445
Adjustments:					
Add: Development costs capitalized	21,752	35,146	46,472	11,979	9,588
Annual total operating expenditure	608,615	585,024	524,534	128,532	107,739
Total operating expenditure			**1,718,173**[(1)]		**1,825,912**

Note: (1) Total operating expenditure for the three financial years prior to Listing.

The following table sets forth our annual R&D expenditure ratio and total R&D expenditure ratio for the years/periods indicated:

	For the year ended/As of December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Annual R&D expenditure ratio[(1)]	40.2%	44.9%	47.8%	47.3%	51.7%
Total R&D expenditure ratio			44.1%[(2)]		44.6%

Notes:

(1) Calculated by dividing annual R&D expenditure by annual total operating expenditure.

(2) Calculated by dividing total R&D expenditure for the three financial years prior to Listing by total operating expenditure for the three financial years prior to Listing.

KEY FINANCIAL RATIOS

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
Current ratio(1)	4.9	4.1	2.9	2.8

Note: (1) Current ratio equals total current assets divided by total current liabilities of the same date.

Our current ratio decreased from 4.9 as of December 31, 2023 to 4.1 as of December 31, 2024, mainly due to a decrease in our current assets as a result of a decrease in financial assets at FVTPL, partially offset by a decrease in our current liabilities. Our current ratio further decreased to 2.9 as of December 31, 2025, mainly due to (i) a significant decrease in our current assets primarily driven by a decrease in cash and cash equivalents of RMB189.3 million as a result of spending on R&D expenses, purchasing on PPE and intangible assets during the ordinary course of our business, (ii) a decrease in trade and bills receivables from RMB337.4 million as of December 31, 2024 to RMB265.4 million as of December 31, 2025 as a result of our enhanced collection efforts, and (iii) a slight increase in our current liabilities. Our current ratio remained relatively stable at 2.9 as of December 31, 2025 and 2.8 as of March 31, 2026.

FINANCIAL RISK MANAGEMENT

Our major financial instruments include trade and bills receivables, other receivables, cash and cash equivalents, term deposits, restricted bank deposits, financial assets at FVTPL, trade and other payables, lease liabilities and borrowings. The risks associated with the financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. For details of our financial risk management, see Note 41 to the Accountants' Report included in Appendix I.

Market Risk

Currency Risk

Certain financial assets and liabilities are denominated in foreign currencies of respective group entities which are exposed to foreign currency risk. We monitor foreign exchange exposure and enter into the forward exchange contracts to mitigate the foreign exchange risk. The sensitivity analysis is performed by our management. For details, see Note 41 to the Accountants' Report included in Appendix I.

Interest Rate Risk

We are primarily exposed to fair value interest rate risk in relation to term deposits and lease liabilities and cash flow interest rate risk in relation to variable-rate bank borrowings and cash and cash equivalents. We currently do not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise. The sensitivity analysis is performed by our management. For details, see Note 41 to the Accountants' Report included in Appendix I.

Other Price Risk

We are also exposed to equity price risk through its investments in unlisted fund measured at FVTPL. In the opinion of the management, the exposure of equity price risk through its investments in unlisted fund measured at FVTPL is insignificant and thus no sensitivity analysis is prepared.

Credit Risk

Credit risk refers to the risk that a customer or counterparties will default on their contractual obligations resulting in financial losses to us. We consider all elements of credit risk exposure such as counterparty default risk and sector risk for risk management purposes.

Our credit risk exposures are primarily attributable to trade and bills receivables, other receivables, contract assets, term deposits, restricted bank deposits and cash and cash equivalents. We do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimize the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that our credit risk is significantly reduced.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, we do not have any other significant concentration of credit risk.

For more details on the credit risk and impairment assessment, see Note 41 to the Accountants' Report included in Appendix I.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows. For more details on our remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms, see Note 41 to the Accountants' Report included in Appendix I.

DIVIDENDS

We do not have a formal dividend policy or pre-determined distribution ratio. However, we may distribute profits in the form of cash and/or share dividends in accordance with provisions regarding dividends in our Articles of Association, subject to applicable laws, our profitability, cash flow position and future business development needs. We will generally distribute cash dividends once a year, provided that our accumulated undistributed profits and distributable profits for the year are positive and our cash flow can support normal operations and sustainable growth. In principle, the total cash dividends distributed in the most recent three years will not be less than 30% of the average annual distributable profit for such period. The proportion of cash dividends will be determined with reference to our development stage and capital expenditure plans, and will not be less than 80% if we are in a mature stage without major capital expenditure plans, 40% if we are in a mature stage with major capital expenditure plans, and 20% if we are in a growth stage with major capital expenditure plans.

The declaration of dividends is subject to the discretion of our Board and the approval of our shareholders. Our Board may recommend a payment of dividends in the future after taking into account a number of factors, including our earnings, capital requirements, overall financial conditions, contractual and applicable legal restrictions and other factors which they may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations, including the approval of our shareholders. As confirmed by our PRC Legal Advisors, according to the PRC Company Law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above. We may stop allocating the net profit when the aggregate balance of the statutory common reserve fund has reached more than 50% of our registered capital. During the Track Record Period, we did not declare or pay any dividends, as we did not have sufficient distributable reserves. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that it is required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. In light of our accumulated losses as disclosed in this prospectus, our Company may not be in a position to declare and pay dividends until the accumulated losses have been offset and the required reserve fund has been established, in accordance with the PRC laws and regulations. There is no guarantee that dividends of such amount or any amount will be declared or distributed each year or in any given year.

DISTRIBUTABLE RESERVES

As of March 31, 2026, we did not have any distributable reserves.

LISTING EXPENSES

Listing expenses consist of professional fees, underwriting commission, and other fees incurred in connection with the Global Offering. We expect to incur total listing expenses of approximately RMB60.3 million (HK$69.7 million) (based on the mid-point of the indicative Offer Price range), which accounts for approximately 9.1% of the gross proceeds from the Global Offering. During the Track Record Period, we incurred RMB21.2 million (HK$24.5 million) in listing expenses, of which RMB1.1 million (HK$1.3 million) was recognized in the profit or loss and RMB20.1 million (HK$23.2 million) will be deducted from equity upon Listing. We expect to incur additional listing expenses of approximately RMB39.1 million (HK$45.2 million) (based on the mid-point of the indicative Offer Price range). We estimate the additional listing expenses to consist of approximately RMB26.7 million (HK$30.9 million) in underwriting fees and RMB12.4 million (HK$14.3 million) in non-underwriting fees (which consist of fees and expenses of legal advisors and our Reporting Accountants of approximately RMB8.1 million (HK$9.4 million) and other fees and expenses of approximately RMB4.3 million (HK$4.9 million)). Among the listing expenses to be incurred, approximately RMB38.9 million (HK$45.0 million) will be directly attributable to the issue of our Shares, which will be deducted from equity upon the completion of the Global Offering, and the remaining RMB0.2 million (HK$0.2 million) will be expensed in our consolidated statements of comprehensive income. Our Directors do not expect such expenses to materially impact our results of operations in 2026.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See "Appendix II — Unaudited Pro Forma Financial Information." to this prospectus for further details of our unaudited pro forma statement of adjusted consolidated net tangible assets.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

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, operational or trading position since March 31, 2026 (being the date on which our latest consolidated financial information was prepared), and there has been no event since March 31, 2026 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this prospectus.

Summary of Unaudited Financial Statements for the Six Months Ended June 30, 2026

We are a public company listed on the STAR Market of the Shanghai Stock Exchange and we have disclosed unaudited key financial information prepared under PRC GAAP as of and for the six months ended 30 June 2026 pursuant to the relevant PRC securities laws and regulations. We have included our unaudited interim condensed consolidated financial information prepared in accordance with IAS 34, *Interim Financial Reporting* as of and for the six months ended June 30, 2026 in Appendix IA to this document. Our unaudited interim condensed consolidated financial information as of and for the six months ended June 30, 2026 has been reviewed by our reporting accountant in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. The members of the Board, including those of the Audit Committee, have received and reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026, as set out in Appendix IA to this document. Save as disclosed in "Directors and Senior Management — Corporate Governance," we have complied with the code provisions in Part 2 of Appendix C1 to the Listing Rules. We are not in breach of our Articles of Association or laws and regulations of the PRC or other regulatory requirements regarding our obligation to distribute interim reports in accordance with the requirements under Rule 13.48(1) of the Listing Rules. Pursuant to the Note to Rule 13.48(1) of the Listing Rules, we do not intend to distribute a separate interim report in respect of the six months ended June 30, 2026 under the aforementioned Rule. See "Appendix IA — Report on Review of Condensed Consolidated Financial Statements" for details. The following is a discussion of fluctuations of selected line items.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of profit or loss for the periods indicated:

	Six months ended June 30,	
	2025	2026
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Revenue	152,045	173,456
Cost of sales	(82,443)	(91,294)
Gross profit	**69,602**	**82,162**
Other income	22,113	5,763
Other gains and losses, net	2,744	27,054
Selling expenses	(75,455)	(67,996)
Administrative expenses	(61,996)	(52,404)
Listing expenses	–	(454)
Research and development expenses	(99,002)	(96,482)
Impairment losses under expected credit loss ("ECL") model, net of reversal	549	(9,492)
Finance costs	(1,374)	(637)
Share of results of an associate	(127)	(351)
Loss before tax	(142,946)	(112,837)
Income tax expense	–	–
Loss and other comprehensive expense for the period	**(142,946)**	**(112,837)**

Revenue

Our revenue increased by 14.1% from RMB152.0 million for the six months ended June 30, 2025 to RMB173.5 million for the six months ended June 30, 2026, primarily attributable to (i) an increase in revenue generated from our AI and big data infrastructure software and related technical services from RMB111.1 million to RMB139.4 million, primarily driven by rising procurement demand from government and state-owned enterprise customers amid the accelerated adoption of AI across different industries in 2026; and (ii) an increase in revenue generated from our other business from RMB6.8 million to RMB7.7 million, mainly driven by higher sales of integrated software and hardware products. Such increase was partially offset by a decrease in revenue generated from our consulting services business from RMB34.1 million to RMB26.4 million as we continued to prioritize resources toward our core AI and big data infrastructure software and related technical services business, resulting in reduced resource allocation to our consulting services business.

Cost of Sales

Our cost of sales increased by 10.7% from RMB82.4 million for the six months ended June 30, 2025 to RMB91.3 million for the six months ended June 30, 2026, primarily due to the higher cost of sales of our AI and big data infrastructure software and related technical services business, which was in line with our growth in revenue.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 18.0% from RMB69.6 million for the six months ended June 30, 2025 to RMB82.2 million for the six months ended June 30, 2026, and our gross profit margin increased from 45.8% to 47.4%, primarily attributable to a higher revenue contribution from our AI and big data infrastructure software and related technical services, which generally have higher gross profit margins. Gross profit from our AI and big data infrastructure software and related technical services increased from RMB65.5 million to RMB75.7 million, primarily driven by revenue growth in this business, although its gross profit margin decreased from 59.0% to 54.3% primarily due to increased amortization of newly utilized intangible assets allocated to this business. Gross profit from our consulting services increased from RMB3.7 million to RMB4.5 million, while gross profit margin increased from 10.9% to 16.9%, primarily due to the recognition of certain higher-margin customized solution projects during the six months ended June 30, 2026. Gross profit from our other business increased from RMB0.4 million to

RMB2.0 million, while its gross profit margin increased from 5.3% to 26.3%, primarily attributable to a higher revenue contribution from our next-generation integrated software and hardware products, which are typically sold together with software licensing services that generally command higher gross profit margins.

Other Income

Our other income decreased significantly from RMB22.1 million for the six months ended June 30, 2025 to RMB5.8 million for the six months ended June 30, 2026, primarily due to (i) a decrease of RMB8.9 million in value-added tax refunds; (ii) a decrease of RMB5.6 million in government grants, primarily attributable to the higher amount of government grants received in the first half of 2025, particularly non-recurring government grants.

Other Gains and Losses, Net

Our other gains increased significantly from RMB2.7 million for the six months ended June 30, 2025 to RMB27.1 million for the six months ended June 30, 2026, primarily due to an increase of RMB25.7 million in fair value of financial assets measured at FVTPL, in line with the increase of the balance of unlisted fund investment.

Selling Expenses

Our selling expenses decreased by 9.9% from RMB75.5 million for the six months ended June 30, 2025 to RMB68.0 million for the six months ended June 30, 2026, primarily attributable to (i) a decrease of RMB5.1 million in staff costs, resulting from the optimization of our personnel structure; (ii) a decrease of RMB1.0 million in marketing and promotion expenses; and (iii) a decrease of RMB0.8 million in travel expenses, mainly due to a reduced headcount of our sales personnel.

Administrative Expenses

Our administrative expenses decreased by 15.5% from RMB62.0 million for the six months ended June 30, 2025 to RMB52.4 million for the six months ended June 30, 2026, primarily attributable to a decrease of RMB6.7 million in staff costs, resulting from the optimization of our personnel structure.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB99.0 million and RMB96.5 million for the six months ended June 30, 2025 and 2026, respectively.

Loss for the period

As a result of the foregoing, our loss for the period narrowed from RMB142.9 million for the six months ended June 30, 2025 to RMB112.8 million for the six months ended June 30, 2026.

Summary of Consolidated Statements of Financial Position

The following table sets forth summary information from our consolidated statements of financial position as of the dates indicated:

	As of December 31, 2025	As of June 30, 2026
	RMB'000	*RMB'000 (unaudited)*
Total current assets	873,144	669,037
Total non-current assets	304,904	368,634
Total assets	**1,178,048**	**1,037,671**
Total current liabilities	303,863	262,673
Total non-current liabilities	11,673	25,323
Total liabilities	**315,536**	**287,996**
Net current assets	**569,281**	**406,364**

	As of December 31, 2025	As of June 30, 2026
	RMB'000	*RMB'000 (unaudited)*
Net assets	**862,512**	**749,675**
Share capital	121,136	121,136
Reserves	741,376	628,539
Total equity	**862,512**	**749,675**

Our net current assets decreased from RMB569.3 million as of December 31, 2025 to RMB406.4 million as of June 30, 2026, primarily due to (i) a decrease of RMB202.6 million in cash and cash equivalents driven by cash used in operating activities during the ordinary course of business, purchase of intangible assets and placement of term deposits, (ii) a decrease of RMB10.7 million in bills receivables at fair value through other comprehensive income driven by the collection of bills receivables upon maturity, partially offset by a decrease of RMB30.7 million in trade and other payables, primarily due to the payment of accrued year-end bonuses during the first half of 2026.

Our net assets decreased from RMB862.5 million as of December 31, 2025 to RMB749.7 million as of June 30, 2026 primarily due to the recognition of the loss and total comprehensive expense for the period of RMB112.8 million during the first half of 2026.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

	Six months ended June 30,	
	2025	2026
	RMB'000 (unaudited)	*RMB'000 (unaudited)*
Net cash used in operating activities	(132,777)	(155,855)
Net cash from (used in) investing activities	84,039	(35,909)
Net cash from (used in) financing activities	13,111	(9,635)
Net decrease in cash and cash equivalents	**(35,627)**	**(201,399)**
Cash and cash equivalents at beginning of the period	543,261	353,951
Effect of foreign exchange rate changes	(892)	(1,222)
Cash and cash equivalents at the end of the period	**506,742**	**151,330**

For the six months ended June 30, 2026, our net cash used in operating activities was RMB155.9 million while our loss for the period was RMB112.8 million. The difference between our loss for the period and our net cash used on operating activities was primarily the result of adjustments for (i) non-cash items of (a) depreciation of property, plant and equipment of RMB12.5 million, (b) depreciation of right-of-use assets of RMB7.1 million, (c) impairment gains under ECL model of RMB9.5 million and (d) gain on changes in fair value of financial assets at FVTPL of RMB28.9 million; and (ii) changes in working capital primarily including (a) an increase of RMB37.6 million in trade and other payables, (b) a decrease of RMB10.1 million in contract costs, and (c) an increase of RMB8.7 million in prepayments and other receivables.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules upon the Listing of the H Shares on the Hong Kong Stock Exchange.

FUTURE PLANS

See "Business — Development Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

Assuming an Offer Price of HK$55.00 per H Share (being the mid-point of the indicative Offer Price range), we estimate that we will receive net proceeds from the Global Offering of approximately HK$700.9 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering.

In line with our strategies and based on the priority of business development needs, we plan to apply these net proceeds for the following intended purposes in the amounts set forth below:

- approximately 30.0% of the net proceeds, or HK$210.2 million, is expected to be allocated to enhance and optimize our R&D and innovation capabilities of our entire product and solution stack to drive full-chain technology upgrades through "AI × Data." Specifically:

  (i) approximately 8.0% of the net proceeds, or HK$56.0 million, will be used for a comprehensive upgrade to our "AI × Data" architecture. We will focus on advancing underlying core technologies, including distributed computing frameworks, AI model training and inference infrastructure, and data processing engines, to strengthen our foundational technological capabilities. We aim to expand the resources required for the upgrade through procuring necessary hardware and software from third-party suppliers. We also plan to expand our research and development team to adapt to our continued business expansion in the next few years. To procure the required hardware and software for the above architecture upgrade, we intend to purchase or rent equipment spanning standard performance servers, high performance servers, cloud computing services, data and corpus and software.

  Approximately 4.9% of the net proceeds, or HK$34.4 million, will be used to procure necessary resources and supplies required for the upgrade. In particular, we plan to procure standard-performance servers (CPU servers) for distributed computing, high-performance servers (GPU servers) for AI model training and inference, cloud computing services for scalable deployment, and data and corpus datasets to support model training, as well as software tools such as distributed computing frameworks, database systems and AI development platforms from third-party suppliers. We also plan to procure integrated development tools (including C/C++ integrated development environments such as CLion), as well as software for user interface design and prototyping, cloud-based development environments (such as cloud desktops), and research and development project management and version control tools to support our core technology development. We also plan to procure services from third-party AI service providers to support model training, fine-tuning and inference. Such procurement is expected to be carried out on a phased basis over the next three to five years, with initial focus on core infrastructure build-out followed by expansion and optimization.

  Approximately 3.1% of the net proceeds, or HK$21.6 million, will be used to expand our research and development team for the upgrade. As of the Latest Practicable Date, we had 47 existing R&D personnel dedicated to this purpose. However, to further support the foregoing core technology development, we plan to recruit a total of 18 research and development personnel over the next five years on a phased basis. These personnel will primarily focus on foundational technology areas such as AI model training and optimization, distributed system architecture, and large-scale data processing frameworks. They are expected to possess relevant academic backgrounds in computer science, artificial intelligence or mathematics, and experience in areas such as large language model technologies (including training, fine-tuning and inference) and high-performance computing. Further, these personnel are expected to improve our R&D capabilities in frontier areas such as AI inference acceleration. While our existing R&D personnel have expertise in developing data storage and processing systems built on centralized architectures and developing systems linking multiple servers to process massive data simultaneously, the new personnel are expected to address the critical need to redesign our core system architecture, enabling deeper integration between our data and AI technologies. This initiative aims to enhance our team with multidisciplinary deep learning systems engineers who are skilled in both optimizing core system architectures and applying a deep understanding of AI models. In addition, to strengthen our current capabilities of large-scale computing cluster infrastructure operations, we intend to recruit specialists with expertise in the management and maintenance of interconnected server networks, ensuring that processing hardware, networking, and system software run continuously, scale efficiently, and handle high-volume computational workloads without interruption. We expect the annual salary for such personnel to range from approximately RMB0.8 million to RMB1.0 million per person, reflecting differences in seniority and market conditions.

(ii) approximately 17.0% of the net proceeds, or HK$119.1 million, will be used to globally improve our technical capabilities to deliver products, services and solutions. We will focus on advancing applied technologies and technical frameworks, including scenario-based AI capabilities and data intelligence engines, to support diverse application environments. Such scenario-based AI capabilities may include AI products with industry- and scenario-specific features, such as data governance and data analytics agents for sectors including finance, manufacturing and energy, which require relevant industry domain knowledge.

With our established research and development center located in China, we expect to leverage our extensive research and development capabilities to perform scenario-based, application-level research and development functions to specifically address diversified issues and needs for different customers. It is well-justified based on (i) the evolving cloud adoption needs from potential customers and (ii) the fast-changing local demands for user interfaces by integrating local languages to optimize cloud utilization.

Approximately 11.8% of the net proceeds, or HK$82.9 million, will be used to procure necessary resources and supplies required to globally improve our technical capabilities. We plan to procure computing infrastructure including standard-performance servers (CPU servers) and high-performance servers (GPU servers) to support scenario-based model development and deployment, as well as cloud computing services and related platform tools for flexible resource allocation. We also intend to acquire integrated development and deployment toolsets comprising development environments, together with software for user interface design and prototyping, cloud-based development environments (such as cloud desktops), and research and development project management and version control tools to support application-level development. In addition, we may procure certain external services to support the localization and deployment of our products in overseas markets, including local language adaptation, user interface localization and cultural customization, which complement our applied technology development and facilitate product deployment across different regions. Such procurement will be implemented progressively over the next three to five years, with initial deployment focused on baseline capacity and subsequent expansion aligned with increasing application complexity and customer demand.

Approximately 5.2% of the net proceeds, or HK$36.3 million, will be used to expand our research and development team for globally improving our technical capabilities. As of March 31, 2026, we had 298 research and development personnel. As of the Latest Practicable Date, we had dedicated 54 existing R&D personnel for this purpose, who possess expertise in foundational big data infrastructure and general-purpose AI development. We expect to further expand our team to support our planned product functionality and architecture upgrades, particularly in relation to cloud-based service offerings and cloud adaptation of our existing products and solutions. We also plan to recruit a total of 50 research and development personnel over the next five years on a phased basis. These personnel will primarily focus on scenario-based technology development, AI model adaptation, cloud-based product development and deployment, and data-driven application frameworks. They are expected to have experience in areas such as model fine-tuning, retrieval-augmented generation that enables AI models to retrieve data from specified databases and verify response accuracy prior to generation and AI-enabled application development. While our existing personnel focus on building scalable, reusable core AI infrastructure, the new personnel are expected to bridge the gap between technology and industry adoption with their industry-specific knowledge or background, expanding our expertise in industry-specific AI application deployment. In addition, as the existing personnel focus on on-premises implementation directly on customers' local servers, the new personnel are expected to possess expertise in cloud delivery ecosystem, supporting the technical demands of transforming our products from on-premises deployment to cloud-based services over the internet. We expect the annual salary for such personnel to range from approximately RMB0.8 million to RMB1.0 million per person, reflecting differences in seniority and market conditions.

(iii) approximately 5.0% of the net proceeds, or HK$35.1 million, will be used to improve the level and efficiency of internal management and operation by transforming traditional management processes into digital formats. We will focus on developing internal digital technologies, including enterprise data platforms, intelligent workflow systems and AI-enabled operational tools, to enhance internal efficiency and scalability.

Approximately 2.4% of the net proceeds, or HK$17.1 million, will be used to procure necessary resources required to support this initiative. We plan to procure additional hardware and software resources, including standard-performance servers (CPU servers), high-performance servers (GPU servers), storage systems and networking equipment to support the development and operation of our internal systems, including enterprise resource planning (ERP) systems and operational data monitoring systems, thereby enhancing internal management efficiency and operational visibility, as well as software tools such as data management platforms, analytics engines and system monitoring solutions. Such procurement is expected to be carried out in phases over the next three to five years, with priority given to core system enhancement in the initial stage and subsequent upgrades based on operational needs.

Approximately 2.6% of the net proceeds, or HK$18.0 million, will be used to expand our technical team to support the initiative. We plan to recruit a total of 26 technical personnel over the next five years on a phased basis, in addition to the existing 15 technical personnel for this purpose as of the Latest Practicable Date. These personnel will primarily focus on internal system development, enterprise platform optimization and digital transformation initiatives. They are expected to possess relevant experience in enterprise system implementation, database optimization and digital management systems, turning business management needs into designing data-driven enterprise systems, building frameworks to organize enterprise data, and developing smart tools for daily operations. We expect the annual salary for such personnel to range from approximately RMB0.8 million to RMB1.0 million per person, reflecting differences in seniority and market conditions.

- approximately 20.0% of the net proceeds, or HK$140.3 million, is expected to be allocated for upgrading and expanding our product and solution stack, which primarily focuses on commercialization, iterative enhancement and market-specific adaptation of our existing products and solutions (rather than underlying technology research and development), including, among others,

(i) approximately 10.0% of the net proceeds, or HK$70.1 million, will be used for the platform upgrade of our product matrix. The user interfaces of our product offerings necessitate further unification and integration to reduce the perceived obvious boundaries among users and retain the capability of seamlessly switching between different data and AI products. Our goal is to deliver a unified platform that tightly integrates AI and big data capabilities, thereby empowering users with seamless execution of complex data processing, AI development and application construction without being burdened by underlying technical complexity. Through this, we are managed to break down technical soils and enable end-to-end synergy across AI and data workflows; this initiative focuses on product-level integration and user experience enhancement, rather than underlying technology development.

Approximately 6.1% of the net proceeds, or HK$42.6 million, will be used to procure hardware infrastructure and software tools necessary to support the upgrade and expansion of this product line, including standard-performance servers (CPU servers), high-performance servers (GPU servers), storage systems and related computing resources, as well as software components such as development frameworks, middleware and application tools. The procurement will be conducted on a staged basis over the next three to five years, with early-stage investments focused on core platform capabilities and subsequent investments aligned with product iteration and commercialization needs.

Approximately 3.9% of the net proceeds, or HK$27.5 million, will be used to recruit additional technical personnel to support the upgrade of our product matrix. As of the Latest Practicable Date, 40 members of our technical team had front-end development capabilities distributed among different product groups, with the research and development team of each product line functioning on a relatively independent basis. We plan to recruit a total of 36 technical personnel over the next five years on a phased basis. These personnel will primarily focus on product integration, front-end and back-end system coordination, and user interface optimization. They are expected to have experience in large-scale software platform development and distributed system optimization, areas where we intend to complement our existing team's expertise. We expect the annual salary for such personnel to range from approximately RMB0.8 million to RMB1.2 million per person.

(ii) approximately 5.0% of the net proceeds, or HK$35.1 million, will be used to upgrade our existing product and solution offerings; this will primarily involve iterative enhancement of existing product functionalities, performance optimization and feature expansion based on customer feedback and market demand.

Approximately 2.9% of the net proceeds, or HK$20.6 million, will be used to acquire computing infrastructure and supporting software tailored to the relevant product and solution requirements, including high-performance servers (GPU servers), standard-performance servers (CPU servers), cloud computing services and specialized software tools for development, testing and deployment. Such procurement will be implemented progressively, with resource allocation adjusted based on product development milestones and market demand.

Approximately 2.1% of the net proceeds, or HK$14.5 million, will be used to recruit additional technical personnel for this upgrade. As of the Latest Practicable Date, we had 10 technical personnel dedicated to this purpose, with expertise in the functional development and maintenance of our core products. We plan to recruit a total of 18 technical personnel over the next five years on a phased basis. These personnel will primarily focus on feature enhancement, system performance optimization and AI-related functionalities embedded in existing products, areas where we intend to complement our existing team's expertise. They are expected to have experience in software development, AI application integration and enterprise solution enhancement. In addition, these personnel are expected to possess familiarity with regulatory security standards across different countries to ensure our software, whether newly developed or modified, fully complies with local regulatory requirements for overseas clients. We expect the annual salary for such personnel to range from approximately RMB0.8 million to RMB1.2 million per person; and

(iii) approximately 5.0% of the net proceeds, or HK$35.1 million, will be used to upgrade our industry-specific solutions to accommodate new customers across a spectrum of industries and regions. This will focus on tailoring and refining our existing solutions to meet industry-specific requirements and localization needs across different markets.

Approximately 2.9% of the net proceeds, or HK$20.6 million, will be used to procure additional hardware and software resources to enhance system scalability, performance and reliability, including standard-performance servers (CPU servers), high-performance servers (GPU servers), storage and network infrastructure, as well as software solutions for system integration, data processing and operational management. The procurement is expected to be carried out over the next three to five years, with continuous optimization to support evolving product features and customer requirements.

Approximately 2.1% of the net proceeds, or HK$14.5 million, will be used to recruit a total of 18 technical personnel over the next five years on a phased basis. These personnel will primarily focus on industry solution customization, localization and deployment support. They are expected to have experience in enterprise solution development and industry-specific application implementation. We expect the annual salary for such personnel to range from approximately RMB0.8 million to RMB1.2 million per person.

- approximately 15.0% of the net proceeds, or HK$105.1 million, is expected to be allocated to strengthen our sales channels and team building in key markets both in the PRC and overseas.

  Our key domestic markets include provinces such as Hubei, Hebei, Shanxi, Xinjiang, Jiangxi and Guangxi, where we have existing important customers but have not yet established local branches.

  Our overseas expansion is expected to be implemented in phases, with Singapore serving as our initial regional hub and primary direct-sales market. We then plan to expand into selected Southeast Asian markets, such as Malaysia and Indonesia, and Middle East markets, such as the United Arab Emirates and Saudi Arabia, primarily through channel partners and local business partners. We believe such expansion is feasible for several reasons. Our infrastructure software products are largely standardized in design and can be adapted, with appropriate localization and configuration, for use across different industries and jurisdictions. In addition, we have existing overseas deployments, identified business opportunities and a flexible sales model. We expect these initiatives to gradually broaden our overseas customer base, diversify our revenue sources and support long-term business growth. We will also conduct product localization, compliance reviews and engage local advisers to address local regulatory requirements.

  (i) approximately 7.0% of the net proceeds, or HK$49.0 million, will be used for the establishment of sales branches. We plan to primarily recruit sales personnel in mainland China to remotely support overseas and domestic market expansion and customer acquisition services.

  Approximately 6.4% of the net proceeds, or HK$44.6 million, will be used to recruit sales personnel to support such expansion. We plan to recruit a total of 33 sales personnel over the next five years on a phased basis. These personnel will focus on market development and channel expansion. In addition, approximately 0.6% of the net proceeds, or HK$4.4 million, will be used to construct and maintain these additional sales branches.

  (ii) approximately 8.0% of the net proceeds, or HK$56.1 million, will be used for the establishment of operations branches.

  Approximately 7.0% of the net proceeds, or HK$49.3 million, will be used to recruit sales personnel to support such expansion. We plan to recruit a total of 55 operations personnel over the next five years on a phased basis. These personnel will focus on operational support and delivery and implementation. In addition, we plan to rent operational space to support branch establishment, using approximately 1.0% of the net proceeds, or HK$6.7 million, to construct and maintain these additional operational branches.

- approximately 5.0% of the net proceeds, or HK$35.0 million, is expected to be allocated for improving our commercialization capability and brand influence.

  (i) approximately 3.0% of the net proceeds, or HK$21.0 million, will be used for our brand building.

  For business development activities such as attending both domestic and international exhibitions, hosting industry conferences, rolling out demos of our new products, services and solutions in China.

  (ii) approximately 2.0% of the net proceeds, or HK$14.0 million, will be used for our collaborations with other market participants. We plan to deepen our collaborations with other market-leading players.

- approximately 20.0% of the net proceeds, or HK$140.2 million, is expected to be allocated for making strategic investments.

  Our potential investment or acquisition targets are expected to include companies providing complementary software tools, such as business intelligence tools and equipment data collection tools, and complementary applications and solutions, such as manufacturing process optimization solutions, retail customer and marketing management solutions and AI-agent applications for the financial industry. We generally target companies with annual software revenue of over RMB80.0 million (excluding hardware revenue) or positive net profit, and with technologies, products or customer bases that are complementary to our existing business and capable of generating synergies. According to Frost & Sullivan, there are a sufficient number of suitable targets in the market that are able to meet the Group's requirements. As of the Latest Practicable Date, we had not identified or committed to any acquisition targets.

To improve our operational sustainability, we seek to engage in equity investments as a minority shareholder in targeting entities that are relatively smaller in scale but possess the capability of enriching our research and development needs, such as companies which own proprietary functional and deliverable industry applications and solutions to foster our industry expertise. Such potential targeting entities also include companies providing (i) complementary software tools, such as business intelligence tools and equipment data collection tools, (ii) complementary applications and solutions, such as manufacturing process optimization solutions, retail customer and marketing management solutions and AI-agent applications for the financial industry, and (iii) hardware that enables AI inference acceleration. As of the Latest Practicable Date, we had not determined any specific shareholding percentage or range for such potential equity investments; and

- approximately 10.0% of the net proceeds, or HK$70.1 million, is expected to be allocated for working capital and other general corporate purposes.

In the event that the Offer Price is set at the high-end or the low-end of the indicative Offer Price range, the net proceeds of the Global Offering will increase or decrease by approximately HK$80.7 million, respectively. The above allocation of the proceeds will be adjusted on a *pro rata* basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the indicative Offer Price range.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to put into effect any part of our future development plan as intended, and to the extent permitted by the relevant laws and regulations, we will only deposit such 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 the applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of the Company. In such an event, we will comply with the appropriate disclosure requirements under the Listing Rules.

HONG KONG UNDERWRITERS

Haitong International Securities Company Limited
Futu Securities International (Hong Kong) Limited
Shenwan Hongyuan Securities (H.K.) Limited
Webull Securities Limited
BOCOM International Securities Limited
Huafu International Securities Limited
CMB International Capital Limited
TFI Securities and Futures Limited
SPDB International Capital Limited
First Securities (HK) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company has agreed to offer the Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of the Hong Kong Underwriting Agreement and this prospectus.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering on the Main Board as mentioned in this prospectus and such approval not having been withdrawn; and (b) certain other conditions set out in the Hong Kong Underwriting Agreement (including, among others, the Overall Coordinators (for themselves and on behalf of the other Underwriters) and the Company, agreeing upon the Offer Price), the Hong Kong Underwriters have agreed, severally but not jointly, to subscribe, or procure subscribers to subscribe, for the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions set out in 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 obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. If at any time prior to 8:00 a.m. on the Listing Date:

(1) there develops, occurs, exists or comes into effect:

(a) 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), Japan, Singapore, Malaysia, Canada or other jurisdictions relevant to our Group or the Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(b) 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, U.S. 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 U.S. 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

(c) 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, 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)) in or affecting any of the Relevant Jurisdictions; or

(d) 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 (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange (including the STAR Market), the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or

(e) 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

(f) other than with the prior written consent of the Sole Sponsor and the Sole Sponsor-Overall Coordinator, 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

(g) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against a member of our Group or a director or a senior management member of any member of our Group or announcing an intention to take any such action; or

(h) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any member of our Group or any of Mr. Sun and Shanghai Zanxing (the "**Warranting Shareholders**") or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(i) any demand by creditors for payment or repayment of indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or

(j) 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

(k) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Warranting Shareholder or any Director or senior management members as named in this prospectus; or

(l) any contravention by any member of our Group or any Director of the Listing Rules or applicable laws; or

(m) any change or prospective change, or a materialization of, any of the risks set out in "Risk Factors,"

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the other Hong Kong Underwriters):

i. has or will or may have a material adverse effect, whether directly or indirectly, 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;

ii. 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

iii. 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

iv. has or will or may have the effect of making any 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

(2) there has come to the notice of the Sole Sponsor and the Sole Sponsor-Overall Coordinator that:

(a) any statement contained in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement), 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

(b) 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

(c) any 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 the Warranting Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(d) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties (as defined in the Hong Kong Underwriting Agreement) pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

(e) any breach of any of the obligations or undertakings imposed upon our Company or any Warranting Shareholders or any cornerstone investor (as applicable) pursuant to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the cornerstone investment agreements; or

(f) there is any change or development involving a prospective change, constituting or having a material adverse effect; or

(g) that the chairman of the Board, any Director or any member of senior management of our Company named in this prospectus seeks to retire, or is removed from office or vacates his/her office; or

(h) 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; or

(i) our Company withdraws this prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(j) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering 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

(k) any person (other than the Sole Sponsor) 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

(l) 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

(m) an order or petition is presented for the winding-up or liquidation of any member of our Group, or any member of our Group 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 any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group; or

(n) (A) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Sole Sponsor and the Sole Sponsor-Overall Coordinator, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC filings pursuant to 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) and supporting guidelines issued by the CSRC or the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (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 "**CSRC Rules**") or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC Rules or any other applicable laws; or

(o) that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the cornerstone investment agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise,

then, in each case, the Sole Sponsor and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the other 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.

Undertakings to the Stock Exchange Pursuant to the Listing Rules

(A) Undertakings by our Company

Pursuant to Rule 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 or sold or transferred out of treasury or form the subject of any agreement to such an issue, or sale or transfer out of treasury within six months from the date on which securities of our Company first commence dealing on the Stock Exchange (whether or not such issue of shares or securities, or sale or transfer of treasury shares will be completed within six months from the commencement of dealing), except for the issuance of shares or securities pursuant to the Global Offering or for circumstances permitted under Rule 10.08 of the Listing Rules.

(B) Undertakings by our Key Persons

Pursuant to Rule 18C.14(1) of the Listing Rules, each of the Key Persons has undertaken to us and the Stock Exchange that except as permitted under the Listing Rules, it/he/she will not, and will procure that the relevant registered holder(s) will not, in the period commencing on the date by reference to which disclosure of its/his/her shareholdings is made in this prospectus and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as (i) pursuant to a pledge or charge as security 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, or (ii) disposing of any interest in such securities of our Company in the circumstances provided under Rule 18C.15 of the Listing Rules) in respect of, any of the partnership interests in its/his/her respective close associates or the securities of our Company (as applicable) that it/he/she is shown by this prospectus to be the beneficial owner.

Pursuant to Note 2 to Rule 18C.14 of the Listing Rules, each of the Key Persons has undertaken to our Company and the Stock Exchange that within the period commencing from the date by reference to which disclosure of their shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he/she will:

(i) when it/he/she (or its/his/her respective close associate) pledges or charges any securities in our Company beneficially owned by it/him/her (or by its/his/her respective close associate) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and

(ii) when it/he/she (or its/his/her respective close associate) receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it/him/her (or by its/his/her respective close associate) will be disposed of, immediately inform us in writing of such indications.

Our Company will inform the Stock Exchange in writing as soon as we have been informed of matters referred to above by any of the Key Persons and disclose such matters by way of announcement pursuant to the requirements under the Listing Rules as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by our Company

Our Company undertakes to each of the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the CMIs that except pursuant to the Global Offering, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the "**First Six Month Period**"), it will not, without the prior written consent of the Sole Sponsor and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the other Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(i) 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

(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 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

(iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or

(iv) offer to or agree to do any of the foregoing specified in (i), (ii) or (iii) above 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 further agrees that, in the event our Company is allowed to enter into any of the transactions described in (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (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.

(B) Undertakings by Mr. Sun and Shanghai Zanxing

Each of Mr. Sun and Shanghai Zanxing, as Warranting Shareholders, undertakes to each of our Company, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the CMIs that, without the prior written consent of the Sole Sponsor and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the other Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(i) it/he will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him and the companies controlled by it/him will not, at any time during the First Six Month Period and the Second Six Month Period, (a) 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 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 Shares or any such other securities, as applicable or any interest in any of the foregoing), or deposit any Shares or other securities of our Company 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 any 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 Shares or any such other securities, as applicable or any interest in any of the foregoing), or (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above, or offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above, in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of 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; and

(ii) until the expiry of the Second Six Month Period, in the event that it enters into any of the transactions specified in (i)(a), (b) or (c) or offers to or agrees to or contracts to or publicly announces any intention to effect any such transaction, it/he 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.

The aforesaid restrictions shall not prevent the Warranting Shareholders from (i) purchasing additional Shares or other securities of our Company and disposing of such additional Shares or securities of our Company in accordance with the Listing Rules, provided that any such purchase or disposal does not contravene the aforesaid lock-up arrangements with the Warranting Shareholders or the compliance by our Company with the minimum public float requirement under the Listing Rules, and (ii) using the Shares or other securities of our Company or any interest therein beneficially owned by them 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, provided that (a) the relevant Warranting Shareholder will immediately inform our Company, the Sole Sponsor and the Sole Sponsor-Overall Coordinator in writing of such pledge or charge together with the number of Shares or other securities of our Company so pledged or charged if and when it/he or the relevant registered holder(s) pledges or charges any Shares or other securities of our Company beneficially owned by it/him, and (b) when the relevant Warranting Shareholder receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares or other securities of our Company will be disposed of, it/he will immediately inform our Company, the Sole Sponsor and the Sole Sponsor-Overall Coordinator of such indications.

Our Company hereby undertakes to the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the CMIs that upon receiving such information in writing from the Warranting Shareholders, it will, as soon as practicable and if required pursuant to the Listing Rules, the SFO and/or any other applicable law, notify the Stock Exchange and/or other relevant authorities, and make a public disclosure in relation to such information by way of an announcement.

Indemnity

We and the Warranting Shareholders have agreed to indemnify, among others, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries for certain losses which they may suffer, including, among others, losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company and the Warranting Shareholders of the Hong Kong Underwriting Agreement.

The International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that our Company, Mr. Sun and Shanghai Zanxing will enter into the International Underwriting Agreement with the Sole Sponsor, the Overall Coordinators and the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set forth therein, the International Underwriters would severally and not jointly agree to purchase, or procure purchasers to purchase, the Offer Shares being offered pursuant to the International Offering (subject to, among 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, or is terminated, the Global Offering will not proceed.

It is expected that each of Mr. Sun and Shanghai Zanxing will undertake to the International Underwriters not to dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of any of the Shares held by it in our Company for a period similar to such undertakings given by them pursuant to the Hong Kong Underwriting Agreement, which is described in "— Underwriting Arrangements and Expenses — Undertakings pursuant to the Hong Kong Underwriting Agreement — (B) Undertakings by Mr. Sun and Shanghai Zanxing" above.

Commission and Expenses

Our Company will pay an underwriting commission of 2.5% of the aggregate Offer Price of all the Offer Shares (the "**Fixed Fees**"). Our Company may also in our sole and absolute discretion pay all of the Underwriters an additional incentive fee in aggregate of 1.5% of the aggregate Offer Price for all of the Offer Shares (the "**Discretionary Fees**"). For the purpose of disclosure of the ratio of fixed and discretionary fees payable (the "**Fee Split Ratio**") as required under paragraph 3B of Appendix D1A to the Listing Rules, the Fee Split Ratio will be 40.6:59.4, assuming the Discretionary Fees will be paid in full. For any 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 commissions and fees, together with Stock Exchange listing fees, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565%, AFRC transaction levy of 0.00015%, legal and other professional fees and printing and all other expenses payable by us relating to the Global Offering are currently estimated to amount to HK$69.7 million (assuming an Offer Price of HK$55.00 per Offer Share, being the mid-point of the indicative Offer Price range).

INDEPENDENCE OF THE SOLE SPONSOR

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

UNDERWRITERS' INTERESTS IN OUR COMPANY

Save as disclosed in this prospectus and save for the obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement, as at the Latest Practicable Date, none of the Underwriters has any shareholding or beneficial interests in any member of our Group nor has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any member of our Group nor any interest in the Global Offering.

Following the completion of the Global Offering, the Overall Coordinators and the Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Underwriting Agreements.

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 the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group's loans and other debt.

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.

Such activities may affect the market price or value of our H Shares, the liquidity or trading volume in our H Shares and the volatility of the price of our 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:

(a) the Syndicate Members 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

(b) 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 our affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

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:

(a) the Hong Kong Public Offering of initially 700,600 H Shares (subject to reallocation) in Hong Kong, as described in "— The Hong Kong Public Offering" below; and

(b) the International Offering of initially 13,310,200 H Shares (subject to reallocation) outside the United States in offshore transactions in reliance on Regulation S, as described in "— The International Offering" below.

The 14,010,800 H Shares being offered in the Global Offering will represent approximately 10.4% of the enlarged total number of Shares immediately after completion of the Global Offering. The underwriting arrangements, and the respective Underwriting Agreements, are summarized in "Underwriting."

Investors may apply for Hong Kong Offer Shares under the Hong Kong Public Offering, or, if qualified to do so, apply for or indicate an interest in International Offer Shares under the International Offering, but may not do both.

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 Shares Initially Offered

We are initially offering 700,600 Hong Kong Offer Shares, representing approximately 5% of the total number of Offer Shares available under the Global Offering, at the Offer Price for subscription by the public in Hong Kong. Subject to the reallocation of H Shares between (i) the International Offering, and (ii) the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 0.5% of the total number of issued Shares immediately following the completion of the Global Offering.

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.

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a several basis under the terms of the Hong Kong Underwriting Agreement and is subject to our Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters) agreeing on the Offer Price. Completion of the Hong Kong Public Offering is subject to the conditions as set out in "— Conditions of the Global Offering" below.

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 others who have applied for the same number of 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 account of any reallocation in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Offering referred to below) will be divided equally into two pools (with any odd lots being allocated to pool A): pool A and pool B.

(a) ***Pool A***: The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) or less.

(b) ***Pool B***: The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) and up to the total value of pool B.

For the purpose of this sub-section only, the "price" for Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined).

Applicants should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the two pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong 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 350,300 Hong Kong Offer Shares will be rejected.

Reallocation

Paragraph 4.2 of Practice Note 18 (as modified by Rule 18C.09) of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing 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 if the International Offering is fully subscribed or oversubscribed and the certain prescribed total demand levels are reached under the Hong Kong Public Offering, subject to the following:

(i) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 10 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then 700,500 Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 1,401,100 Offer Shares, representing approximately 10% of the number of the Offer Shares available under the Global Offering; and

(ii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then 2,101,600 Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the number of the Offer Shares available under the Hong Kong Public Offering will be increased to 2,802,200 Offer Shares, representing approximately 20% of the number of the Offer Shares available under the Global Offering.

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 Overall Coordinators deem appropriate.

In addition to any mandatory reallocation required as described above, 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 Overall Coordinators. The Overall Coordinators may, at their sole discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering in accordance with Chapter 4.14 of the Listing Guide. Where (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed by less than 10 times of the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, up to 700,600 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 1,401,200 Shares (representing double of the number of the Offer Shares initially available under the Hong Kong Public Offering and the final Offer Price shall be fixed at the low-end of the indicative Offer Price range (i.e. HK$49.00 per Offer Share)) in accordance with

Chapter 4.14 of the Listing Guide. For the avoidance of doubt, 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.

If the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators may reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as they deem appropriate.

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 expected to be published on Friday, September 18, 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/it that he/she/it and any person(s) for whose benefit he/she/it is making the application has not applied for or taken up, or indicated an interest in, and will not apply for or take up, or indicate an interest in, any International Offer Shares under the International Offering, and such applicant's application under the Hong Kong Public 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 maximum price of HK$61.00 per Offer Share in addition to the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable on each Offer Share. If the Offer Price, as finally determined in the manner described in "— Pricing and Allocation" below, is less than the maximum price of HK$61.00 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. Further details are set out in "How to Apply for Hong Kong Offer Shares."

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of Offer Shares Offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the International Offering will be 13,310,200, representing approximately 95% of the total number of Offer Shares available under the Global Offering. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, and is subject to the Hong Kong Public Offering becoming unconditional.

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 in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. 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. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "— Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, 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 hold or sell H Shares after the Listing. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole. Pursuant to paragraph 3.2 of the Practice Note 18 of the Listing Rules, at least 40% of the total number of shares offered in the Global Offering will be allocated to investors in the International Offering (other than the Cornerstone Investors), and no more than 40% of the total number of Offer Shares will be allocated to the Cornerstone Investors as described in "Cornerstone Investors."

The Overall Coordinators (for themselves and on behalf of the other 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 Overall Coordinators (for themselves and on behalf of the other Underwriters) so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the reallocation arrangement described in "— The Hong Kong Public Offering — Reallocation" above and any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

PRICING AND ALLOCATION

Determining the Offer Price

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 around, the last day for lodging applications under the Hong Kong Public Offering.

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Thursday, September 17, 2026, by agreement between the Overall Coordinators (for themselves and on behalf of the other Underwriters) and our Company and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

Offer Price Range

The Offer Price per Offer Share under the Hong Kong Public Offering will be identical to the Offer Price per Offer Share under the International Offering based on the Hong Kong dollar price per Offer Share, as determined by the Overall Coordinators (for themselves and on behalf of the other Underwriters) and our Company.

We will determine the Offer Price by reference to, among other factors, the closing price of the A Shares on the STAR Market of the Shanghai Stock Exchange on the last trading day on the Price Determination Date (which is accessible to the Shareholders and potential investors at **https://english.sse.com.cn/markets/equities/list/overview/?COMPANY_CODE=688031&STOCKCODE=688031**). The Offer Price will not be more than HK$61.00 per Offer Share and is expected to be not less than HK$49.00 per Offer Share, unless otherwise announced by our Company no later than the morning of the last day for lodging applications under the Hong Kong Public Offering, which is Wednesday, September 16, 2026, as further explained below. In no circumstances will the high-end of the indicative Offer Price range be greater than the closing price of the A Shares on the Latest Practicable Date. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus**.

Based on the closing price of the A Share on the Latest Practicable Date of RMB105.88, the high-end and the low-end of the indicative Offer Price range of HK$61.00 and HK$49.00 represent a discount of approximately 50.18% and 59.98% of the prevailing market price of the A Shares (based on the exchange rate of HK$1 to RMB0.86466), respectively.

The historical prices of our A Shares and trading volume on the STAR Market are set out below:

Period	High	Low	ADTV[1]
	(RMB)	*(RMB)*	*(A Shares)*
Year ended December 31, 2023	165.00	52.26	2,022,215
Year ended December 31, 2024	72.00	24.75	3,224,979
Year ended December 31, 2025	113.00	36.71	5,498,569
Year of 2026 (up to the Latest Practicable Date)	264.88	78.18	8,005,888

Note:

1. Average daily trading volume ("**ADTV**") represents daily average number of the A Shares of our Company traded over the relevant period.

If, for any reason, our Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters) are unable to reach agreement on the Offer Price at or before 12:00 noon on Thursday, September 17, 2026, the Global Offering will not proceed and will lapse.

Reduction in Indicative Offer Price Range and/or Number of Offer Shares

The Overall Coordinators (for themselves and on behalf of the other 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 the consent of our Company, reduce the number of Offer Shares and/or the indicative Offer Price range 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 case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be announced on the website of our Company at **www.transwarp.cn** and the website of the Stock Exchange at **www.hkexnews.hk**, notices of the reduction, and the cancellation of the Global Offering and relaunch of the offer at the revised number of Offer Shares and/or the revised Offer Price.

As soon as practicable after such reduction of the number of Offer Shares and/or the Offer Price, we will also issue a supplemental prospectus or a new prospectus updating investors on the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price, and giving investors at least three business days to consider the new information. The supplemental or new prospectus should include at least the following: updated (i) Offer Price and market capitalization; (ii) listing timetable and underwriting obligations; (iii) price/earning multiple, unaudited pro forma and adjusted net tangible assets; and (iv) use of proceeds and working capital adequacy confirmation based on the revised proceeds.

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, which is Wednesday, September 16, 2026. In the absence of any such supplemental or new prospectus so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

If there is any change to the offer size due to change in the number of Offer Shares offered in the Global Offering (other than pursuant to the reallocation mechanism as disclosed in this prospectus), or change to the Offer Price which leads to the resulting price falling outside the indicative Offer Price range as stated in this prospectus, or if the Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our Offer Shares as prescribed under Rule 11.13 of the Listing Rules, our Company is required to cancel the Global Offering and issue a supplemental prospectus or a new prospectus and subsequently relaunch the Global Offering on FINI pursuant to the supplemental prospectus.

In the event of a reduction in the number of Offer Shares, the Overall Coordinators (for themselves and on behalf of the other Underwriters) may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 5% of the total number of Offer Shares available under the Global Offering. 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 Overall Coordinators (for themselves and on behalf of the other Underwriters).

Announcement of Offer Price and Basis of Allocations

The final Offer Price, the results of indications of interest in the International Offering, the results of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations are expected to be announced on Friday, September 18, 2026 on the website of our Company at **www.transwarp.cn** and the website of the Stock Exchange at **www.hkexnews.hk**.

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 subject to our Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters) agreeing on the Offer Price.

We expect to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements under the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in "Underwriting."

CONDITIONS OF THE GLOBAL OFFERING

Acceptances of all applications for Offer Shares pursuant to the Global Offering will be conditional on, among others:

(a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering, and such approval not subsequently having been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(b) the Offer Price having been duly agreed between our Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters) on the Price Determination Date;

(c) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

(d) the obligations of the Underwriters under the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective 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) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between our Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters) by 12:00 noon on Thursday, September 17, 2026, the Global Offering will not proceed and will lapse immediately.

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 their respective 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. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the website of the Stock Exchange at **www.hkexnews.hk** and the website of our Company at **www.transwarp.cn** on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of H Share Certificates and Refund of Application Monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving bankers 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 will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that (i) the Global Offering has become unconditional in all respects, and (ii) the right of termination as described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued by us pursuant to the Global Offering.

Other than our A Shares which are currently listed on and dealt in on the STAR Market, and our pending application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H 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.

SHARES WILL BE ELIGIBLE FOR 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 date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange (as defined in the Listing Rules) 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 HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling our H Shares to be admitted into CCASS.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, September 21, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, September 21, 2026. The H Shares will be traded in board lots of 100 H Shares. The stock code of the H Shares will be 6727.

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.transwarp.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; and
- have a Hong Kong address *(for the* ***HK eIPO White Form*** *service only).*

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 Shareholder or its close associates; or
- are a Director or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Friday, September 11, 2026 and end at 12:00 noon on Wednesday, September 16, 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	www.hkeipo.hk	Investors 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 Friday, September 11, 2026 to 11:30 a.m. on Wednesday, September 16, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Wednesday, September 16, 2026, Hong Kong time.

Application Channel	Platform	Target Investors	Application Time
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit a **HKSCC EIPO** application on your behalf through HKSCC's FINI system in accordance with your instruction.	Investors 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 the **HK eIPO White Form** service more than once and obtaining different payment 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 the **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 Applicants	For Corporate Applicants
• Full name(s)[2] as shown on your identity document	• Full name(s)[2] as shown on your identity document
• Identity document's issuing country or jurisdiction	• Identity document's issuing country or jurisdiction
• Identity document type, with order of priority:	• Identity document type, with order of priority:
i. HKID card; or	i. LEI registration document; or
ii. National identification document; or	ii. Certificate of incorporation; or
iii. Passport; and	iii. Business registration certificate; or
• Identity document number	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 shares in a public offer. 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 account holders 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 agents, 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 . . . . : 100 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 maximum Offer Price is HK$61.00 per H 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 final 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 H 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$*
100	6,161.51	2,000	123,230.36	10,000	616,151.86	200,000	12,323,037.00
200	12,323.04	2,500	154,037.97	20,000	1,232,303.70	250,000	15,403,796.26
300	18,484.55	3,000	184,845.55	30,000	1,848,455.56	300,000	18,484,555.50
400	24,646.08	3,500	215,653.14	40,000	2,464,607.40	350,300(1)	21,583,799.30
500	30,807.59	4,000	246,460.75	50,000	3,080,759.26		
600	36,969.11	4,500	277,268.33	60,000	3,696,911.10		
700	43,130.62	5,000	308,075.93	70,000	4,313,062.96		
800	49,292.15	6,000	369,691.11	80,000	4,929,214.80		
900	55,453.66	7,000	431,306.30	90,000	5,545,366.66		
1,000	61,615.19	8,000	492,921.48	100,000	6,161,518.50		
1,500	92,422.78	9,000	554,536.66	150,000	9,242,277.76		

Notes:

(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 "— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply." 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 further 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):

(i) 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;

(ii) 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;

(iii) (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;

(iv) 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;

(v) 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;

(vi) agree that our Company, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, and any of their or our Company's respective directors, officers, employees, partners, agents, advisors, and representatives, and any other parties involved in the Global Offering (collectively, 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;

(vii) 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 "— G. Personal Data — 3. Purposes and 4. Transfer of personal data;"

(viii) 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;

(ix) 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 "— B. Publication of Results;"

(x) confirm that you are aware of the situations specified in "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares;"

(xi) 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;

(xii) 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;

(xiii) confirm that (a) 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 (b) 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;

(xiv) warrant that the information you have provided is true and accurate;

(xv) 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;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) 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;

(xviii) (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

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) 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 or the **HK eIPO White Form** Service Provider and (2) 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 at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result** with a "search by ID" function. 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**.	24 hours, from 11:00 p.m. on Friday, September 18, 2026 to 12:00 midnight on Thursday, September 24, 2026 (Hong Kong time).
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.transwarp.cn** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Friday, September 18, 2026 (Hong Kong time).
Telephone	+852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar.	Between 9:00 a.m. and 6:00 p.m., from Monday, September 21, 2026 to Thursday, September 24, 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 Thursday, September 17, 2026 (Hong Kong time), HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Thursday, September 17, 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 results of the final Offer Price, 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.transwarp.cn** by no later than 11:00 p.m. on Friday, September 18, 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 "— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" 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;
- 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 H 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 H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid at 8:00 a.m. on the Listing Date, provided that the Global Offering has become unconditional and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade the 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.

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 300,000 Hong Kong Offer Shares or more	Collection in person at the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.	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.
	Time: from 9:00 a.m. to 1:00 p.m. on Monday, September 21, 2026 (Hong Kong time).	No action by you is required.
	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.	
	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.	

	HK eIPO White Form service	HKSCC EIPO channel
For application of less than 300,000 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**: Friday, September 18, 2026.	
Refund mechanism for surplus application monies paid by you		
Date	Monday, September 21, 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 cheque(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 a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or Extreme Conditions in the morning on Friday, September 18, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the 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. Bad Weather Arrangements" in this section.

E. BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Wednesday, September 16, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, "**Bad Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, September 16, 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 Bad 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 "Expected Timetable," an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.transwarp.cn** of the revised timetable.

If a Bad Weather Signal is hoisted on Friday, September 18, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the HKSCC Depository's service counter so that they would be available for trading on Monday, September 21, 2026.

If a Bad Weather Signal is hoisted on Friday, September 18, 2026, for application of less than 300,000 Hong Kong Offer Shares, the despatch of physical H Share certificates will be made by ordinary post when the post office re-opens after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Friday, September 18, 2026 or on Monday, September 21, 2026).

If a Bad Weather Signal is hoisted on Monday, September 21, 2026, for application of 300,000 Hong Kong Offer Shares or more, physical H Share certificates will be available for collection in person at the H Share Registrar's Office after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Monday, September 21, 2026 or on Tuesday, September 22, 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 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 agree 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 cheque 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 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, receiving bank and overseas principal share registrar;
- 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 at its registered address disclosed in "Corporate Information" or as notified from time to time, for the attention of our joint company secretaries, 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-64, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF TRANSWARP TECHNOLOGY (SHANGHAI) CO., LTD.

Introduction

We report on the historical financial information of Transwarp Technology (Shanghai) Co., Ltd. ("星環信息科技(上海)股份有限公司") (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-64, which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025 and March 31, 2026, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and March 31, 2026 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2025 and the three months ended March 31, 2026 (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-64 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated September 11, 2026 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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 set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 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 of the Company, 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 purposes of the accountants' report, a true and fair view of the Group's financial position as at December 31, 2023, 2024 and 2025 and March 31, 2026, of the Company's financial position as at December 31, 2023, 2024 and 2025 and March 31, 2026 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the three months ended March 31, 2025 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange 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 16 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 11, 2026

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of 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, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the "IASB") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended December 31,			Three months ended March 31,	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue	*6*	490,533	370,755	447,069	64,205	81,242
Cost of sales		(233,799)	(192,026)	(211,059)	(40,752)	(47,607)
Gross profit		256,734	178,729	236,010	23,453	33,635
Other income	*8*	34,213	28,120	36,455	7,180	3,644
Other gains and losses, net	*9*	26,336	14,880	7,947	1,071	2,764
Selling expenses		(235,123)	(203,961)	(159,788)	(36,722)	(29,546)
Administrative expenses		(128,675)	(118,589)	(114,213)	(31,075)	(22,445)
Listing expenses		–	–	(670)	–	(454)
Research and development expenses		(223,065)	(227,328)	(204,061)	(48,756)	(46,160)
Impairment losses under expected credit loss ("ECL") model, net of reversal	*10*	(16,783)	(13,192)	(43,668)	1,829	2,873
Finance costs	*11*	(2,805)	(2,940)	(2,224)	(676)	(270)
Share of results of associates		–	–*	(944)	(27)	(40)
Loss before tax	*12*	(289,168)	(344,281)	(245,156)	(83,723)	(55,999)
Income tax expense	*13*	–	–	(14)	–	–
Loss and total comprehensive expense for the year/period		(289,168)	(344,281)	(245,170)	(83,723)	(55,999)
Loss and total comprehensive expense for the year/period attributable to:						
– Owners of the Company		(288,243)	(343,462)	(245,170)	(83,578)	(55,999)
– Non-controlling interests		(925)	(819)	–	(145)	–
		(289,168)	(344,281)	(245,170)	(83,723)	(55,999)
Loss per share						
– Basic (RMB yuan)	*15*	(2.39)	(2.84)	(2.03)	(0.69)	(0.46)
– Diluted (RMB yuan)	*15*	(2.39)	(2.84)	(2.03)	(0.69)	(0.46)

* Amount is less than RMB1,000

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTES	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at March 31, 2026
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property and equipment	17	100,062	136,186	102,307	93,147
Right-of-use assets	18	37,060	33,282	16,987	12,819
Intangible assets	19	21,866	52,802	88,387	92,759
Interests in associates	20	–	450	4,296	4,256
Term deposits	28	15,011	15,439	70,587	101,123
Financial assets at fair value through profit or loss ("FVTPL")	26	12,000	20,000	22,340	23,788
Prepayments and other receivables	23	47,834	–	–	–
		233,833	258,159	304,904	327,892
Current assets					
Trade and bills receivables	22	377,432	337,362	265,435	258,956
Prepayments and other receivables	23	15,765	24,603	40,219	47,598
Contract assets	24	35,737	39,462	48,107	52,623
Inventories		1,566	1,651	4,779	1,901
Contract costs	25	48,686	49,955	47,016	48,502
Financial assets at FVTPL	26	595,175	71,652	71,588	66,697
Bills receivables at fair value through other comprehensive income ("FVTOCI")	27	–	–	11,684	10,035
Term deposits	28	131,916	70,148	30,357	27,043
Restricted bank deposits		6	6	8	8
Cash and cash equivalents	28	352,748	543,261	353,951	242,910
		1,559,031	1,138,100	873,144	756,273
Current liabilities					
Trade, bills and other payables	29	185,663	142,276	177,235	169,237
Contract liabilities	30	38,450	62,574	57,270	55,562
Borrowings	31	55,546	40,027	30,036	9,853
Financial liabilities at FVTPL	32	–	–	44	267
Lease liabilities	33	14,899	17,206	15,295	11,398
Provisions	34	24,150	17,572	23,983	25,659
		318,708	279,655	303,863	271,976
Net current assets		1,240,323	858,445	569,281	484,297
Total assets less current liabilities		1,474,156	1,116,604	874,185	812,189
Non-current liabilities					
Lease liabilities	33	24,058	16,716	1,261	513
Deferred income	35	10,264	5,447	10,412	5,163
		34,322	22,163	11,673	5,676
Net assets		1,439,834	1,094,441	862,512	806,513
Capital and reserves					
Share capital	36	120,842	120,842	121,136	121,136
Reserves		1,322,459	977,885	741,376	685,377
Equity attributable to owners of the Company		1,443,301	1,098,727	862,512	806,513
Non-controlling interests		(3,467)	(4,286)	–	–
Total equity		1,439,834	1,094,441	862,512	806,513

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	NOTES	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As at March 31, 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property and equipment	*17*	98,599	135,486	96,315	87,722
Right-of-use assets	*18*	25,956	22,014	10,812	7,959
Intangible assets	*19*	13,418	32,228	62,043	66,382
Interests in associates	*20*	–	450	2,587	2,564
Interests in subsidiaries	*21*	186,411	215,092	253,907	255,737
Term deposits	*28*	15,011	15,439	70,587	101,123
Financial assets at FVTPL	*26*	12,000	20,000	22,340	23,788
Prepayments and other receivables	*23*	47,834	–	–	–
		399,229	440,709	518,591	545,275
Current assets					
Trade and bills receivables	*22*	363,790	328,632	259,189	252,014
Prepayments and other receivables	*23*	222,529	321,833	407,474	438,679
Contract assets	*24*	34,181	37,938	47,145	51,792
Inventories		1,179	1,960	5,087	2,209
Contract costs	*25*	39,104	42,669	41,885	43,405
Financial assets at FVTPL	*26*	590,175	70,152	71,518	66,628
Bills receivables at FVTOCI	*27*	–	–	11,684	10,035
Term deposits	*28*	131,916	70,148	15,867	15,972
Restricted bank deposits		6	6	8	8
Cash and cash equivalents	*28*	328,116	502,996	317,218	199,943
		1,710,996	1,376,334	1,177,075	1,080,685
Current liabilities					
Trade, bills and other payables	*29*	150,228	123,274	153,519	144,718
Contract liabilities	*30*	35,303	59,284	52,198	51,299
Borrowings	*31*	55,546	40,027	30,036	9,853
Financial liabilities at FVTPL	*32*	–	–	44	267
Lease liabilities	*33*	8,999	11,926	10,964	7,606
Provisions	*34*	22,839	17,080	23,978	25,555
		272,915	251,591	270,739	239,298
Net current assets		1,438,081	1,124,743	906,336	841,387
Total assets less current liabilities		1,837,310	1,565,452	1,424,927	1,386,662
Non-current liabilities					
Lease liabilities	*33*	18,566	11,043	–	–
Deferred income	*35*	8,568	3,801	8,824	5,089
		27,134	14,844	8,824	5,089
Net assets		1,810,176	1,550,608	1,416,103	1,381,573
Capital and reserves					
Share capital	*36*	120,842	120,842	121,136	121,136
Reserves	*37*	1,689,334	1,429,766	1,294,967	1,260,437
Total equity		1,810,176	1,550,608	1,416,103	1,381,573

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium	Share-based payments reserve	Other reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interest	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	120,842	2,219,200	58,702	–	(687,520)	1,711,224	(2,542)	1,708,682
Loss and total comprehensive expense for the year	–	–	–	–	(288,243)	(288,243)	(925)	(289,168)
Recognition of equity-settled share-based payments *(Note 38)*	–	–	20,320	–	–	20,320	–	20,320
As at December 31, 2023	120,842	2,219,200	79,022	–	(975,763)	1,443,301	(3,467)	1,439,834
Loss and total comprehensive expense for the year	–	–	–	–	(343,462)	(343,462)	(819)	(344,281)
Recognition of equity-settled share-based payments *(Note 38)*	–	–	(1,112)	–	–	(1,112)	–	(1,112)
As at December 31, 2024	120,842	2,219,200	77,910	–	(1,319,225)	1,098,727	(4,286)	1,094,441
Loss and total comprehensive expense for the year	–	–	–	–	(245,170)	(245,170)	–	(245,170)
Purchase of additional interests in a subsidiary	–	–	–	(4,286)	–	(4,286)	4,286	–
Issue of ordinary shares under 2023 Share Incentive Scheme *(Notes 36 and 38)*	294	29,387	(16,440)	–	–	13,241	–	13,241
As at December 31, 2025	121,136	2,248,587	61,470	(4,286)	(1,564,395)	862,512	–	862,512
Loss and total comprehensive expense for the period	–	–	–	–	(55,999)	(55,999)	–	(55,999)
As at March 31, 2026	121,136	2,248,587	61,470	(4,286)	(1,620,394)	806,513	–	806,513

	Share capital	Share premium	Share-based payments reserve	Other reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interest	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	120,842	2,219,200	77,910	–	(1,319,225)	1,098,727	(4,286)	1,094,441
Loss and total comprehensive expense for the period	–	–	–	–	(83,578)	(83,578)	(145)	(83,723)
Issue of ordinary shares under 2023 Share Incentive Scheme	288	29,106	(16,440)	–	–	12,954	–	12,954
As at March 31, 2025 (unaudited)	121,130	2,248,306	61,470	–	(1,402,803)	1,028,103	(4,431)	1,023,672

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES					
Loss for the year/period	(289,168)	(344,281)	(245,170)	(83,723)	(55,999)
Adjustments for:					
Interest income on term deposits	(3,755)	(3,299)	(1,977)	(327)	(757)
Net foreign exchange (gains) losses	(217)	634	1,703	789	861
Finance costs	2,805	2,940	2,224	676	270
Depreciation of property and equipment	12,936	29,893	29,831	7,420	7,170
Depreciation of right-of-use assets	21,705	16,554	14,879	3,666	3,750
Amortization of other intangible assets	72	104	123	17	47
Impairment losses under ECL model, net of reversal	16,783	13,192	43,668	(1,829)	(2,873)
Impairment losses recognized (reversed) on inventories and contract costs	8,408	9,018	5,803	15	(776)
Gain on changes in fair value of financial assets at FVTPL	(25,751)	(13,730)	(9,117)	(1,671)	(3,945)
Losses on changes in fair value of financial liabilities at FVTPL	–	–	44	–	223
Gains on early termination of leases	(144)	(1,072)	(71)	–	–
Losses (gains) on disposal of property and equipment	38	(2)	32	40	100
Share of results of associates	–	–	944	27	40
Share-based payment expenses	20,320	(1,112)	–	–	–
Operating cash flow before movements in working capital	(235,968)	(291,161)	(157,084)	(74,900)	(51,889)
(Increase) decrease in trade and bills receivables	(149,702)	29,438	19,633	36,024	10,870
(Increase) decrease in prepayments and other receivables	(3,694)	462	2,333	(10,315)	(5,899)
Increase in contract assets	(11,777)	(5,599)	(15,578)	(13,838)	(4,403)
(Increase) decrease in contract costs	(9,566)	(5,597)	8,959	(6,111)	4,576
(Increase) decrease in inventories	(316)	(85)	(3,230)	27	2,878
Increase in restricted bank deposits	–	–	(2)	–	–
Increase (decrease) in trade, bills and other payables	33,656	(66,780)	29,247	(29,890)	(13,886)
Increase (decrease) in contract liabilities	15,874	24,124	(5,304)	8,357	(1,708)
Increase (decrease) in provisions	8,487	(6,578)	6,411	(265)	1,676

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Decrease) increase in deferred income	(12,426)	(4,817)	4,965	2,172	(1,535)
NET CASH USED IN OPERATING ACTIVITIES	(365,432)	(326,593)	(109,650)	(88,739)	(59,320)
INVESTING ACTIVITIES					
Interest received	27,048	18,080	4,987	1,602	1,178
Investment in associates	–	(450)	(3,290)	–	–
Proceeds on disposal of property and equipment	9	17	274	15	10
Purchase of property and equipment	(133,285)	(37,727)	(4,158)	(2,047)	(280)
Purchase of intangible assets	–	(276)	(39,993)	(360)	(7,418)
Proceeds from disposal of financial assets at FVTPL	6,389,561	3,727,312	3,088,490	1,121,500	442,751
Purchases of financial assets at FVTPL	(5,734,500)	(3,211,500)	(3,086,070)	(1,191,000)	(436,000)
Withdrawal of term deposits	100,400	164,000	80,763	40,000	13,839
Placement of term deposits	(215,000)	(104,000)	(94,710)	(134,490)	(41,071)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	434,233	555,456	(53,707)	(164,780)	(26,991)

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
FINANCING ACTIVITIES					
Interest paid	(1,201)	(1,379)	(1,027)	(296)	(63)
Proceeds from issue of new shares	–	–	13,241	12,954	–
Issued costs paid	–	–	(13,584)	–	(394)
New bank loans raised	85,500	40,000	40,000	30,000	–
Repayments of borrowings	(30,000)	(55,500)	(50,000)	–	(20,000)
Repayments of lease liabilities	(22,678)	(20,837)	(12,837)	(4,659)	(3,658)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	31,621	(37,716)	(24,207)	37,999	(24,115)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	100,422	191,147	(187,564)	(215,520)	(110,426)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	252,109	352,748	543,261	543,261	353,951
Effect of foreign exchange rate changes	217	(634)	(1,746)	(786)	(615)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	352,748	543,261	353,951	326,955	242,910

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was established and registered in the People's Republic of China (the "PRC") on June 5, 2013, as a limited liability company. In December 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. In October 2022, the Company was listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (stock code: 688031). The address of the registered office and the principal place of business of the Company are set out in the section headed "Corporate Information" in the prospectus dated September 11, 2026 (the "Prospectus").

The Group is principally engaged in developing and delivering AI and enterprise-grade data infrastructure and software solutions.

The Historical Financial Information is presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards issued by the IASB.

The statutory financial statements of the Company for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC. The statutory financial statements of the Company for the years ended December 31, 2023 and 2024 were audited by Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合夥)), a certified public accountant registered in the PRC and the statutory financial statements of the Company for the year ended December 31, 2025 were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合夥)), a certified public accountant registered in the PRC.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which confirm with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2026 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 20	Regulatory Assets and Regulatory Liabilities[3]

1 Effective for annual periods beginning on or after a date to be determined

2 Effective for annual periods beginning on or after January 1, 2027

3 Effective for annual periods beginning on or after January 1, 2029

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRS Accounting Standard as issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Interests in subsidiaries

Interests in subsidiaries are stated in the statement of financial position of the Company at cost less identified impairment loss, if any.

Changes in the Group's interests in an existing subsidiary

Changes in the Group's interests in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's relevant component of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the Historical Financial Information only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 6, 24, 25 and 30.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of staff departments that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized as expense on a straight-line basis.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowings rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including the risk-free rate based on government bond rates.

The lease payments include fixed payments (including in-substance fixed payments).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the approximate exchange rates prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which there are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes in the PRC are recognized as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognizes any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payment

Equity-settled share-based payment transactions

Restricted share unit ("RSU")/Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognized in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserve will continue to be held in share-based payments reserve.

When RSU granted are vested, the amount previously recognized in share-based payments reserve will be transferred to share premium.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, other than construction in progress as described below. Property and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment on property and equipment, right-of-use assets, contract costs and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets, intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognizes an impairment loss for assets capitalized as contract costs under IFRS 15, the Group assesses and recognizes any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalized as contract costs is recognized to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognized as expenses. The assets capitalized as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on an individual assessed method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers related to AI and big data infrastructure software and related technical services and consulting services are recognized at the date of sale of the relevant products and services, at the directors' best estimate of the expenditure required to settle the Group's obligation.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirely at earlier amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if it has been acquired principally for the purpose of selling in the near term.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Bills receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for bills receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these receivables had been measured at amortized cost. All other changes in the carrying amount of these bills receivables are recognized in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognized in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these bills receivables are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and bills receivables, bills receivables at FVTOCI, other receivables, cash and cash equivalents, restricted bank deposits and term deposits) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after each reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognizes lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. Trade receivables of the Group with credit-impaired are assessed for ECL individually. The Group uses a practical expedient in estimating ECL on trade receivables and contract assets, which are not assessed individually, using a provision matrix and taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables, other receivables and contract assets where the corresponding adjustment is recognized through a loss allowance account. For bills receivables that are measured at FVTOCI, the loss allowance is recognized in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost, exchange differences are recognized in profit or loss in the 'Other gains and losses, net' line item (note 9) as part of the net foreign exchange gains (losses);

- For financial assets measured at FVTPL, exchange differences are recognized in profit or loss in the 'Other gains and losses, net' line item (note 9) as part of the Gain on changes in fair value of financial assets at FVTPL.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of bills receivables classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading.

A financial liability that is a derivative is classified as held for trading.

Financial liabilities at amortized cost

Financial liabilities including trade, bills and other payables and borrowings are subsequently measured at amortized cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'Other gains and losses, net' line item in profit or loss (note 9) as part of net foreign exchange gains (losses).

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortized cost or fair value as appropriate.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized 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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Deferred tax asset

No deferred tax asset has been recognized on the tax losses for the years ended December 31, 2023, 2024 and 2025 and three months ended March 31, 2026 due to the unpredictability of future profit streams. The realizability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment. In cases where the actual future taxable profits generated are more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a further recognition takes place.

Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with credit-impaired are assessed for ECL individually.

In addition, the Group uses practical expedient in estimating ECL on trade receivables and contract assets which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical actual loss rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical actual loss rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's and the Company's trade receivables and contract assets are disclosed in notes 22, 24 and 41.

Estimated impairment of property and equipment, right-of-use assets and intangible assets

Determining whether property and equipment, right-of-use assets and intangible assets is impaired requires an estimation of the recoverable amount of the CGU, which is higher of the value in use or fair value less costs of disposal. The value in use requires the Group to estimate the suitable discount rate and gross profit margin ratio in order to calculate the present value. Where change in facts and circumstances which results in downward revision of gross profit margin ratio or upward revision of discount rate, a material impairment loss may arise.

The carrying amount of the subjected assets at December 31, 2023, 2024 and 2025 and March 31, 2026 is RMB158,988,000, RMB222,270,000, RMB207,681,000 and RMB198,725,000 respectively. Details of recoverable amount calculation are disclosed in note 19A.

6. REVENUE

(i) Disaggregation of revenue from contracts with the customers:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Type of business lines					
AI and big data infrastructure software and related technical services	390,041	284,180	362,022	39,411	62,118
Consulting services	79,091	72,759	69,559	22,109	13,759
Other business	21,401	13,816	15,488	2,685	5,365
	490,533	370,755	447,069	64,205	81,242

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Timing of revenue recognition					
A point in time	408,440	298,523	341,093	47,520	59,698
Over time	82,093	72,232	105,976	16,685	21,544
	490,533	370,755	447,069	64,205	81,242
Sales channel					
Direct sales	461,032	347,509	436,058	63,771	75,589
Distributorship	29,501	23,246	11,011	434	5,653
	490,533	370,755	447,069	64,205	81,242

(ii) Performance obligations for contracts with customers and revenue recognition policies

Information about the Group's performance obligations and their corresponding revenue recognition policies are summarized as below:

AI and big data infrastructure software and related technical services

The Group's AI and big data infrastructure software and related technical services mainly comprise sale of self-developed AI and big data infrastructure software license and technical services to ensure the successful deployment, integration, and sustained performance of Group's AI and big data infrastructure software.

Revenue from sale of software license is recognized at a point in time. For the sale of software license that do not require installation and deployment, revenue is recognized when the software license is delivered to the customer. For the sale of software license that require installation and deployment, revenue is recognized upon the receipt of customer acceptance after the installation and deployment. Such acceptance is formally acknowledged through a signed document verifying that the software is fully operational to the customer's satisfaction, which representing the customer has the ability to direct the use of the software and obtain substantially all of the remaining benefits of the software. The advances received are recognized as contract liabilities until the control of software license has been transferred to the customer.

The Group provides certain technical service to meet the customers' specific needs with the Group's employees, and the Group is primarily responsible for ensuring the quality and stability of the available staffing resources. Revenue is recognized overtime measured by unit rate per employee and actual service duration. The contract assets represent the Group's right to consideration for the services performed to date because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

Revenue from maintenance service included in technical service is considered to be a distinct service as it is regularly supplied by the Group to customers on a stand-alone basis. Revenue relating to the maintenance services is recognized ratably over the service contract period. Advance consideration is recognized as a contract liability and is released over the period of services on a straight-line basis.

For other technical services, revenue is recognized at a point in time upon completion of the services contracts and the receipt of customer acceptance. The advances received are recognized as contract liabilities until the completion of the services contracts and the receipt of customer acceptance.

Customers are generally required to an upfront payment or initiation payment of approximately 30%-50% of the total contract amount within a specified time period following the effectiveness of the relevant agreements.

Sales-related warranties associated with the AI and big data infrastructure software and technical service cannot be purchased separately and they serve as an assurance that the products sold or service provided comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37.

Retention receivables are classified as contract assets and are transferred to trade receivables until the end of the retention period which is ranging from 3 months to 3 years.

Consulting services

The Group's consulting services comprises a suite of modular, scenario-based offerings designed to accelerate digital transformation and AI adoption across key industries such as finance, government, healthcare, energy and manufacturing.

The Group provides certain consulting services to meet the customers' specific needs with the Group's employees, and the Group is primarily responsible for ensuring the quality and stability of the available staffing resources. Revenue is recognized overtime measured by unit rate per employee and actual service duration. The contract assets represent the Group's right to consideration for the services performed to date because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

For other consulting services, revenue is recognized at a point in time upon completion of the services contracts and the receipt of customer acceptance. The advances received are recognized as contract liabilities until the completion of the services contracts and the receipt of customer acceptance.

Customers are generally required to an upfront payment or initiation payment of approximately 30% of the total contract amount within a specified time period following the effectiveness of the relevant agreements.

Sales-related warranties associated with consulting services cannot be purchased separately and they serve as an assurance that the service provided complies with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37.

Retention receivables are classified as contract assets and are transferred to trade receivables until the end of the retention period which is ranging from 3 months to 3 years.

Other business

The Group's other business primarily consists of the optimization and sale of hardware and software products in connection with the Group's AI and big data infrastructure product. Revenue is recognized when control of the goods has been transferred, being when the goods have been delivered to the customers. The advances received are recognized as contract liabilities until the control of goods has been transferred to the customer.

Sales-related warranties associated with other business cannot be purchased separately and they serve as an assurance that the service provided complies with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37.

(iii) Transaction price allocated to the remaining performance obligations for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31, 2023, 2024 and 2025 and March 31, 2025 and 2026 and the expected timing of recognizing revenue of the contracts for AI and big data infrastructure software and related technical services are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Within one year	18,718	20,714	18,289	18,995	23,031
Over one year	6,623	4,353	3,906	4,526	3,749
	25,341	25,067	22,195	23,521	26,780

All other contracts with customers for consulting services and other business are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. SEGMENTS INFORMATION

For the purpose of resource allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out above. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

The Group principally operates in the PRC, which is also the place of domicile. The Group's revenue is substantially derived from operations in the PRC and the Group's non-current assets are substantially located in the PRC.

Information about major customers

During the Track Record Period, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue.

8. OTHER INCOME

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Unconditional government grants *(Note (i))*	8,190	9,115	7,723	191	89
Release of assets-related government subsidies *(Note (ii))*	7,430	4,307	3,918	1,491	179
Release of expense-related government subsidies *(Note (ii))*	4,831	1,219	1,529	880	1,356
Interest income on term deposits	3,755	3,299	1,977	327	757
Interest income on bank balances	3,164	1,811	3,974	793	742
Tax refunds	6,843	8,369	17,334	3,498	521
	34,213	28,120	36,455	7,180	3,644

Notes:

(i) The government grants represent unconditional grants from the PRC local governments to encourage the operations and industry development. Unconditional government grants are recognized in profit or loss when received.

(ii) The Group and the Company received various government subsidies aimed at encouraging the research and development projects or electronic equipment acquisitions. Government subsidies received for which related research and development expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position and recognized in the profit or loss over the period necessary to match them with the expenditures that they are intended to compensate. Government subsidies received related to assets are recognized in profit or loss over the expected useful lives of the relevant assets.

9. OTHER GAINS AND LOSSES, NET

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Gain on changes in fair value of financial assets at FVTPL	25,751	13,730	9,117	1,671	3,945
Loss on changes in fair value of financial liabilities at FVTPL	–	–	(44)	–	(223)
Net foreign exchange gains (losses)	217	(634)	(1,703)	(789)	(861)
Gain on early termination of leases	144	1,072	71	–	–
(Loss) gain on disposal of property and equipment	(38)	2	(32)	(40)	(100)
Others	262	710	538	229	3
	26,336	14,880	7,947	1,071	2,764

10. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Impairment losses recognized (reversed) on:					
– trade receivables	14,213	10,632	36,042	(2,495)	(2,776)
– other receivables	933	685	693	50	16
– contract assets	1,637	1,875	6,933	616	(113)
	16,783	13,192	43,668	(1,829)	(2,873)

11. FINANCE COSTS

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on borrowings	1,247	1,156	1,080	313	103
Interest on lease liabilities	1,558	1,784	1,144	363	167
	2,805	2,940	2,224	676	270

12. LOSS BEFORE TAX

Loss before tax for the year/period has been arrived at after charging (crediting):

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Depreciation of property and equipment	13,747	34,237	37,426	9,444	9,119
Depreciation of right-of-use assets	22,353	17,482	16,188	4,053	4,021
Amortization of intangible assets	72	4,454	11,502	2,862	5,216
Total depreciation and amortization	36,172	56,173	65,116	16,359	18,356
Less: amounts capitalized in the contract costs	(302)	(4,690)	(11,719)	(2,922)	(5,288)
amounts capitalized in the intangible assets	(1,459)	(4,932)	(8,564)	(2,334)	(2,101)
	34,411	46,551	44,833	11,103	10,967
Auditors' remuneration	896	896	991	37	–
Impairment losses recognized (reversed) on contract costs included in cost of sales	8,408	9,018	5,803	15	(776)
Impairment losses recognized on inventories included in cost of sales	–	–	102	–	–
Cost of inventories recognized as cost of sales	14,559	10,321	7,410	514	3,263
Amortization of contract costs	178,833	159,098	171,117	34,265	38,480
Research and development costs recognized as an expense	223,065	227,328	204,061	48,756	46,160
Total staff costs:					
– fees, salaries and other benefits	527,906	490,409	428,706	101,924	91,593
– share-based payments expenses	20,320	(1,112)	–	–	–
– retirement benefit scheme contributions	55,150	57,870	49,769	12,800	11,495
– termination benefits	4,737	14,337	17,852	9,991	3,379
Total staff costs (including directors and supervisors' emoluments)	608,113	561,504	496,327	124,715	106,467
Less: amounts capitalized in the contract costs	(110,244)	(102,996)	(90,778)	(22,991)	(18,908)
amounts capitalized in the intangible assets	(20,085)	(29,329)	(35,104)	(9,284)	(6,839)
	477,784	429,179	370,445	92,440	80,720

13. INCOME TAX EXPENSE

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Current tax – under provision in prior years/period	–	–	14	–	–
Deferred tax – current year/period	–	–	–	–	–
	–	–	14	–	–

(i) Income tax expense:

The Company and certain subsidiaries operating in Mainland China was approved to be high and new technology enterprises ("HNTE") and were entitled to a reduced Enterprise Income Tax ("EIT") rate of 15%. The HNTE certificates need to be renewed every three years to enable the Company and those subsidiaries to enjoy the reduced EIT rate of 15%.

Pursuant to relevant laws and regulations in the PRC, several subsidiaries are eligible as a Small Low-profit Enterprise (小型微利企業) and are subject to preferential tax treatments during the Track Record Period. From January 1, 2023 to March 31, 2026, for Small Low-profit Enterprises, the annual taxable income not exceeding RMB3.0 million was reduced to 25% and taxed at a rate of 20%.

No provision for tax in Hong Kong have been made as the Group's income neither arises in, nor is derived from, Hong Kong.

No provision for taxation in Singapore, Canada and Malaysia has been made as subsidiaries of the Group in these jurisdictions did not arise any assessable profits during the Track Record Period.

The income tax expense for the Track Record Period can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive expenses as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Loss before tax	(289,168)	(344,281)	(245,156)	(83,723)	(55,999)
PRC income tax rate at 15%	(43,375)	(51,642)	(36,773)	(12,558)	(8,400)
Tax effect of expenses that are not deductible for tax purpose	1,744	2,085	1,012	180	111
Tax effect of super deduction on research and development expenses	(31,565)	(31,956)	(28,194)	(7,026)	(6,217)
Tax effect of tax losses not recognized	66,932	80,798	58,385	25,408	16,860
Tax effect of deductible temporary differences not recognized	16,269	16,984	22,591	10,995	20,233
Utilization of deductible temporary differences previously not recognized	(10,005)	(16,269)	(16,984)	(16,984)	(22,587)
Utilization of tax losses previously not recognized	–	–	(37)	(15)	–
Under provision in respect of prior years/period	–	–	14	–	–
Income tax expense	–	–	14	–	–

(ii) Deferred taxation:

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same legal entity and fiscal authority. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	5,559	4,992	3,354	3,182
Deferred tax liabilities	(5,559)	(4,992)	(3,354)	(3,182)
	–	–	–	–

The following are the major deferred tax assets/(liabilities) recognized and movements thereon during the Track Record Period:

	Impairment losses recognized	Right-of-use assets	Lease liabilities	Financial assets at FVTPL	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount					
As at January 1, 2023	–	(5,344)	5,344	–	–
(Charge) credit to profit or loss	–	(215)	215	–	–
As at December 31, 2023	–	(5,559)	5,559	–	–
Credit (charge) to profit or loss	–	567	(567)	–	–
As at December 31, 2024	–	(4,992)	4,992	–	–
Credit (charge) to profit or loss	790	2,343	(2,428)	(705)	–
As at December 31, 2025	790	(2,649)	2,564	(705)	–
Credit (charge) to profit or loss	546	647	(718)	(475)	–
As at March 31, 2026	1,336	(2,002)	1,846	(1,180)	–

The Group has deductible temporary differences of RMB108,461,000, RMB113,228,000, RMB150,607,000 and RMB138,554,000, as at December 31, 2023, 2024 and 2025 and March 31, 2026, related to impairment losses on inventories, impairment losses on financial assets, provisions and other items. No deferred tax asset has been recognized in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

As at December 31, 2023, 2024 and 2025 and March 31, 2026, the Group had unused tax losses of RMB1,872,192,000, RMB2,400,958,000, RMB2,769,923,000 and RMB2,892,860,000 respectively, available to offset against future profits. For these unrecognized tax losses, pursuant to the relevant laws and regulations in the PRC and Singapore, these tax losses will be carried forward and expired in years as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2024	9,889	–	–	–
2025	13,373	13,373	–	–
2026 *(Note)*	34,763	34,763	34,669	34,669
2027 *(Note)*	72,181	72,181	69,916	69,916
2028 *(Note)*	149,859	149,859	146,483	146,483
2029 *(Note)*	203,057	216,717	215,557	215,557
2030	218,709	218,709	233,834	233,846
2031	327,997	327,997	327,997	333,516
2032	407,203	407,203	407,203	407,203
2033	428,334	428,334	428,334	428,334
2034	–	519,360	519,360	519,360
2035	–	–	367,260	377,783
2036	–	–	–	104,305
Infinitely	6,827	12,462	19,310	21,888
	1,872,192	2,400,958	2,769,923	2,892,860

Note: The unused tax losses as at December 31, 2025 changed as the Company updated its EIT filling record with the tax authority in August 2025 regarding the unvoiced expenses for 2021 to 2024.

14. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments paid or payable to the individuals who were appointed as directors, supervisors and the chief executive officer of the Company during the Track Record Period are as follows:

(a) Directors and supervisors

	Date of appointment	Director fees	Salaries and other benefits	Discretionary Bonuses *(Note (i))*	Retirement benefit scheme contributions	Share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2023							
Executive director and chief executive officer:							
Mr. Sun Yuanhao	April 17, 2014	–	1,256	282	70	–	1,608
Executive director:							
Mr. Lv Cheng	February 4, 2016	–	933	182	70	–	1,185
Mr. Zhu Junchen	April 30, 2017	–	853	107	70	–	1,030
Ms. Wen Ye	January 29, 2019	–	842	–	65	–	907
Mr. Zhang Liming	December 9, 2020	–	1,285	244	70	–	1,599
Mr. Guo Kai *(Note (ii))*	December 9, 2020	–	–	–	–	–	–
Independent non-executive directors:							
Mr. Huang Yihua	December 9, 2020	80	–	–	–	–	80
Mr. Ma Dongming	December 9, 2020	80	–	–	–	–	80
Ms. Wu Jianmin *(Note (iii))*	December 9, 2020	80	–	–	–	–	80
Supervisors:							
Mr. Liu Wanggen *(Note (iv))*	December 9, 2020	–	951	135	70	–	1,156
Mr. Hui Chengfeng *(Note (v))*	December 9, 2020	–	–	–	–	–	–
Mr. Zhao Jingwei *(Note (v))*	December 9, 2020	–	–	–	–	–	–
		240	6,120	950	415	–	7,725

	Date of appointment	Director fees	Salaries and other benefits	Discretionary Bonuses *(Note (i))*	Retirement benefit scheme contributions	Share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2024							
Executive director and chief executive officer:							
Mr. SUN Yuanhao	April 17, 2014	–	1,395	–	73	–	1,468
Executive director:							
Mr. Lv Cheng	February 4, 2016	–	1,075	100	73	–	1,248
Mr. Zhu Junchen	April 30, 2017	–	878	–	73	–	951
Ms. Wen Ye	January 29, 2019	–	848	–	68	–	916
Mr. Zhang Liming	December 9, 2020	–	1,319	–	73	–	1,392
Ms. Li Yiduo	January 11, 2024	–	1,416	–	73	–	1,489
Mr. Guo Kai *(Note (ii))*	December 9, 2020	–	–	–	–	–	–

	Date of appointment	Director fees	Salaries and other benefits	Discretionary Bonuses *(Note (i))*	Retirement benefit scheme contributions	Share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Independent non-executive directors:							
Mr. Huang Yihua	December 9, 2020	80	–	–	–	–	80
Mr. Ma Dongming	December 9, 2020	80	–	–	–	–	80
Ms. Wu Jianmin *(Note (iii))*	December 9, 2020	2	–	–	–	–	2
Mr. Liu Dong	January 11, 2024	78	–	–	–	–	78
Supervisors:							
Mr. Yang Yifan	January 11, 2024	–	877	–	73	–	950
Mr. Chen Zhenqiang	January 11, 2024	–	944	–	73	–	1,017
Mr. Kang Yi	January 11, 2024	–	690	–	73	–	763
Mr. Liu Wanggen *(Note (iv))*	December 9, 2020	–	985	–	73	–	1,058
Mr. Hui Chengfeng *(Note (v))*	December 9, 2020	–	–	–	–	–	–
Mr. Zhao Jingwei *(Note (v))*	December 9, 2020	–	–	–	–	–	–
		240	10,427	100	725	–	11,492

	Date of appointment	Director fees	Salaries and other benefits	Discretionary Bonuses *(Note (i))*	Retirement benefit scheme contributions	Share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2025							
Executive director and chief executive officer:							
Mr. SUN Yuanhao	April 17, 2014	–	1,408	176	73	–	1,657
Executive director:							
Mr. Lv Cheng	February 4,2016	–	1,208	158	73	–	1,439
Mr. Zhu Junchen	April 30, 2017	–	878	53	73	–	1,004
Ms. Wen Ye	January 29, 2019	–	850	–	70	–	920
Mr. Zhang Liming	December 9, 2020	–	1,310	82	73	–	1,465
Ms. Li Yiduo	January 11, 2024	–	1,414	177	73	–	1,664
Independent non-executive directors:							
Mr. Huang Yihua	December 9, 2020	80	–	–	–	–	80
Mr. Ma Dongming	December 9, 2020	80	–	–	–	–	80
Mr. Liu Dong	January 11, 2024	80	–	–	–	–	80
Supervisors:							
Mr. Yang Yifan *(Note (vi))*	January 11, 2024	–	437	–	37	–	474
Mr. Chen Zhenqiang *(Note (vi))*	January 11, 2024	–	441	–	37	–	478
Mr. Kang Yi *(Note (vi))*	January 11, 2024	–	328	–	37	–	365
		240	8,274	646	546	–	9,706

	Date of appointment	Director fees	Salaries and other benefits	Discretionary Bonuses *(Note (i))*	Retirement benefit scheme contributions	Share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the three months ended March 31,2025							
(Unaudited)							
Executive director and chief executive officer:							
Mr. SUN Yuanhao	April 17, 2014	–	352	–	18	–	370
Executive director:							
Mr. Lv Cheng	February 4, 2016	–	256	–	18	–	274
Mr. Zhu Junchen	April 30, 2017	–	219	–	18	–	237
Ms. Wen Ye	January 29, 2019	–	213	–	17	–	230
Mr. Zhang Liming	December 9, 2020	–	327	–	18	–	345
Ms. Li Yiduo	January 11, 2024	–	353	–	18	–	371
Independent non-executive directors:							
Mr. Huang Yihua	December 9, 2020	20	–	–	–	–	20
Mr. Ma Dongming	December 9, 2020	20	–	–	–	–	20
Mr. Liu Dong	January 11, 2024	20	–	–	–	–	20
Supervisors:							
Mr. Yang Yifan *(Note (vi))*	January 11, 2024	–	228	–	18	–	246
Mr. Chen Zhenqiang *(Note (vi))*	January 11, 2024	–	235	–	18	–	253
Mr. Kang Yi *(Note (vi))*	January 11, 2024	–	174	–	18	–	192
		60	2,357	–	161	–	2,578

	Date of appointment	Director fees	Salaries and other benefits	Discretionary Bonuses *(Note (i))*	Retirement benefit scheme contributions	Share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the three months ended March 31,2026							
Executive director and chief executive officer:							
Mr. SUN Yuanhao	April 17, 2014	–	352	–	18	–	370
Executive director:							
Mr. Lv Cheng	February 4, 2016	–	317	–	18	–	335
Mr. Zhu Junchen	April 30, 2017	–	219	–	18	–	237
Ms. Wen Ye	January 29, 2019	–	213	–	18	–	231
Mr. Zhang Liming	December 9, 2020	–	327	–	18	–	345
Ms. Li Yiduo	January 11, 2024	–	353	–	18	–	371
Independent non-executive directors:							
Mr. Huang Yihua	December 9, 2020	20	–	–	–	–	20
Mr. Ma Dongming	December 9, 2020	20	–	–	–	–	20
Mr. Liu Dong	January 11, 2024	20	–	–	–	–	20
		60	1,781	–	108	–	1,949

Notes:

(i) The discretionary bonuses were determined with reference to their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

(ii) Mr. Guo Kai was appointed as a director of the Company on December 9, 2020 and resigned on January 11, 2024. He was of the opinion that the service provided to the Group only occupies an insignificant portion of his time and therefore it is concluded that he was not remunerated for the service.

(iii) Ms. Wu Jianmin was appointed as an independent director of the Company on December 9, 2020 and resigned on January 11, 2024.

(iv) Mr. Liu Wanggen was elected as supervisor of the Company on December 9, 2020 and step down from supervisor on January 11, 2024. His emolument includes both as supervisor and as employee.

(v) Mr. Hui Chengfeng and Mr. Zhao Jingwei resigned from supervisor of the Company on January 11, 2024. They were of the opinion that the service provided to the Group only occupies an insignificant portion of their time and therefore it is concluded that they were not remunerated for the service during the Track Record Period.

(vi) Pursuant to the revised Company Law, the Company has abolished the Supervisory Committee and will no longer appoint supervisors. The functions and powers of the Supervisory Committee under the Company Law are exercised by the Audit Committee of the Board. The rules of procedure of the Supervisory Committee have been dissolved and repealed accordingly. Mr. Yang Yifan, Mr. Chen Zhenqiang and Mr. Kang Yi has ceased to act as a supervisor with effect from June 18, 2025.

The executive directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Group and the Company, respectively.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During the Track Record Period, one director was granted share options, in respect of her services to the Group. Details of the share-based payment are set out in note 38 to the Historical Financial Information.

During the Track Record Period, there have been no arrangement under which a director, or a supervisor, waived or agreed to waive any remuneration.

(b) Five highest paid individuals

The five highest paid individuals of the Group included two, three, three, three and four directors of the Company for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026, respectively, details of whose remuneration are set out above. Details of the remuneration for the remaining three, two, two, two and one highest paid individuals for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026 are as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries and other benefits	4,596	3,268	3,281	821	404
Discretionary bonuses *(Note)*	824	167	67	–	–
Retirement benefit scheme contributions	209	146	148	37	18
Share-based payments	1,610	–	–	–	–
	7,239	3,581	3,496	858	422

Note: Discretionary bonuses were determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

The emoluments of the five highest paid individuals for the Track Record Period are within the following bands:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	No. of employees	*No. of employees*	*No. of employees*	*No. of employees* *(Unaudited)*	*No. of employees*
Nil to Hong Kong Dollars ("HK$")1,000,000	–	–	–	5	5
HK$1,000,001 to HK$1,500,000	–	–	–	–	–
HK$1,500,001 to HK$2,000,000	2	4	5	–	–
HK$2,000,001 to HK$2,500,000	1	1	–	–	–
HK$2,500,001 to HK$3,000,000	2	–	–	–	–
	5	5	5	5	5

During the Track Record Period, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss figures are calculated as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Loss					
Loss for the purpose of basic loss per share for the year/period attributable to owners of the Company	(288,243)	(343,462)	(245,170)	(83,578)	(55,999)
	'000	*'000*	*'000*	*'000*	*'000*
Number of shares					
Weighted average number of ordinary shares for the purpose of basic loss per share	120,842	120,842	121,059	120,938	121,136
	RMB	*RMB*	*RMB*	*RMB*	*RMB*
Basic and diluted loss per share	(2.39)	(2.84)	(2.03)	(0.69)	(0.46)

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares.

For the Track Record Period, the Company has the unexercised share options granted to the director and employees as set out in Note 38 to the Historical Financial Information. As the Group incurred losses for the Track Record Period, the share options were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the Track Record Period is the same as basic loss per share for the respective years.

16. DIVIDENDS

No dividend was declared or paid by the Company during the Track Record Period.

17. PROPERTY AND EQUIPMENT

The Group

	Leasehold improvements	Electronic equipment	Office equipment	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST						
As at January 1, 2023	9,160	54,386	2,146	809	–	66,501
Additions	–	83,828	54	–	8,294	92,176
Transfer	4,636	–	–	–	(4,636)	–
Disposals	–	(1,118)	–	–	–	(1,118)
As at December 31, 2023	13,796	137,096	2,200	809	3,658	157,559
Additions	–	67,595	70	–	2,696	70,361
Transfer	6,354	–	–	–	(6,354)	–
Disposals	–	(12)	–	–	–	(12)
As at December 31, 2024	20,150	204,679	2,270	809	–	227,908
Additions	–	3,427	–	–	425	3,852
Transfer	425	–	–	–	(425)	–
Disposals	–	(1,400)	–	–	–	(1,400)
As at December 31, 2025	20,575	206,706	2,270	809	–	230,360
Additions	–	69	–	–	–	69
Disposals	–	(2,197)	–	–	–	(2,197)
As at March 31, 2026	20,575	204,578	2,270	809	–	228,232

	Leasehold improvements	Electronic equipment	Office equipment	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
DEPRECIATION						
As at January 1, 2023	(6,149)	(36,470)	(1,821)	(369)	–	(44,809)
Provided for the year	(2,284)	(11,102)	(181)	(180)	–	(13,747)
Eliminated on disposals	–	1,059	–	–	–	1,059
As at December 31, 2023	(8,433)	(46,513)	(2,002)	(549)	–	(57,497)
Provided for the year	(4,198)	(29,641)	(179)	(219)	–	(34,237)
Eliminated on disposals	–	12	–	–	–	12
As at December 31, 2024	(12,631)	(76,142)	(2,181)	(768)	–	(91,722)
Provided for the year	(4,003)	(33,393)	(30)	–	–	(37,426)
Eliminated on disposals	–	1,095	–	–	–	1,095
As at December 31, 2025	(16,634)	(108,440)	(2,211)	(768)	–	(128,053)
Provided for the period	(936)	(8,176)	(7)	–	–	(9,119)
Eliminated on disposals	–	2,087	–	–	–	2,087
As at March 31,2026	(17,570)	(114,529)	(2,218)	(768)	–	(135,085)
CARRYING AMOUNT						
As at December 31, 2023	5,363	90,583	198	260	3,658	100,062
As at December 31, 2024	7,519	128,537	89	41	–	136,186
As at December 31, 2025	3,941	98,266	59	41	–	102,307
As at March 31,2026	3,005	90,049	52	41	–	93,147

The Company

	Leasehold improvements	Electronic equipment	Office equipment	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST						
As at January 1, 2023	2,029	53,537	1,631	809	–	58,006
Additions	–	83,435	53	–	8,294	91,782
Transfer	4,636	–	–	–	(4,636)	–
Disposals	–	(1,118)	–	–	–	(1,118)
As at December 31, 2023	6,665	135,854	1,684	809	3,658	148,670
Additions	–	67,595	70	–	2,696	70,361
Transfer	6,354	–	–	–	(6,354)	–
Disposals	–	(12)	–	–	–	(12)
As at December 31, 2024	13,019	203,437	1,754	809	–	219,019
Additions	–	3,093	–	–	425	3,518
Transfer	425	–	–	–	(425)	–
Disposals	–	(11,678)	–	–	–	(11,678)
As at December 31, 2025	13,444	194,852	1,754	809	–	210,859
Additions	–	69	–	–	–	69
Disposals	–	(2,197)	–	–	–	(2,197)
As at March 31,2026	13,444	192,724	1,754	809	–	208,731
DEPRECIATION						
As at January 1, 2023	(621)	(36,113)	(1,531)	(369)	–	(38,634)
Provided for the year	(1,347)	(10,887)	(82)	(180)	–	(12,496)
Eliminated on disposals	–	1,059	–	–	–	1,059
As at December 31, 2023	(1,968)	(45,941)	(1,613)	(549)	–	(50,071)
Provided for the year	(3,748)	(29,425)	(82)	(219)	–	(33,474)
Eliminated on disposals	–	12	–	–	–	12
As at December 31, 2024	(5,716)	(75,354)	(1,695)	(768)	–	(83,533)
Provided for the year	(3,787)	(32,587)	(27)	–	–	(36,401)
Eliminated on disposals	–	5,390	–	–	–	5,390

	Leasehold improvements	Electronic equipment	Office equipment	Vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025	(9,503)	(102,551)	(1,722)	(768)	–	(114,544)
Provided for the period	(936)	(7,610)	(6)	–	–	(8,552)
Eliminated on disposals	–	2,087	–	–	–	2,087
As at March 31,2026	(10,439)	(108,074)	(1,728)	(768)	–	(121,009)
CARRYING VALUES						
As at December 31, 2023	4,697	89,913	71	260	3,658	98,599
As at December 31, 2024	7,303	128,083	59	41	–	135,486
As at December 31, 2025	3,941	92,301	32	41	–	96,315
As at March 31,2026	3,005	84,650	26	41	–	87,722

The above items of property and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, over the following period:

Leasehold improvements	Over the shorter of the relevant lease terms or 3 years
Electronic equipment	3 to 5 years
Office equipment	5 years
Vehicles	4 to 5 years

Details of the impairment assessment have been disclosed in note 19A.

18. RIGHT-OF-USE ASSETS

The Group

	Leased properties
	RMB'000
Carrying amount	
As at January 1, 2023	35,629
Additions	23,903
Decrease for early termination	(119)
Depreciation charged for the year	(22,353)
As at December 31, 2023	37,060
Additions	15,852
Decrease for early termination	(2,148)
Depreciation charged for the year	(17,482)
As at December 31, 2024	33,282
Decrease for early termination	(107)
Depreciation charge for the year	(16,188)
As at December 31, 2025	16,987
Lease modification	(147)
Depreciation charge for the period	(4,021)
As at March 31, 2026	12,819

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Expenses relating to short-term leases	2,224	1,746	2,009	554	387
Total cash outflow for leases	24,902	22,583	14,846	5,213	4,045

The Company

	Leased properties
	RMB'000
Carrying amount	
As at January 1, 2023	17,301
Additions	23,447
Depreciation charged for the year	(14,792)
As at December 31, 2023	25,956
Additions	7,114
Decrease for early termination	(98)
Depreciation charged for the year	(10,958)
As at December 31, 2024	22,014
Depreciation charged for the year	(11,202)
As at December 31, 2025	10,812
Lease modification	(58)
Depreciation charged for the period	(2,795)
As at March 31,2026	7,959

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Expenses relating to short-term leases	1,631	711	1,175	339	202
Total cash outflow for leases	15,716	14,286	8,898	3,970	2,741

During the Track Record Period, the Group and the Company lease various properties for the operations. The Group's and the Company's lease contracts are entered into for fixed terms of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. There were no extension options in the lease contracts. In determining the lease term and assessing the length of the non-cancellable period, the Group and the Company apply the definition of a contract and determines the period for which the contract is enforceable.

The Group and the Company regularly entered into short-term leases for staff apartments.

Restrictions or covenants on leases

Lease liabilities of RMB38,957,000, RMB33,922,000, RMB16,556,000 and RMB11,911,000 are recognized with related right-of-use assets of RMB37,060,000, RMB33,282,000, RMB16,987,000 and RMB12,819,000 at December 31, 2023, 2024 and 2025 and March 31, 2026, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased properties may not be used as security for borrowing purposes.

Details of the maturity analysis of lease liabilities are set out in Note 33.

Details of the impairment assessment have been disclosed in note 19A.

19. INTANGIBLE ASSETS

The Group

	Development costs	Intellectual properties	Software	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
As at January 1, 2023	–	–	1,455	1,455
Additions	21,752	–	–	21,752
As at December 31, 2023	21,752	–	1,455	23,207
Additions	35,146	–	244	35,390
Transfer	(21,752)	21,752	–	–
As at December 31, 2024	35,146	21,752	1,699	58,597
Additions	46,472	–	615	47,087
Transfer	(35,146)	35,146	–	–
As at December 31, 2025	46,472	56,898	2,314	105,684
Additions	9,588	–	–	9,588
Transfer	(46,472)	46,472	–	–
As at March 31,2026	9,588	103,370	2,314	115,272

	Development costs	Intellectual properties	Software	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
AMORTIZATION AND IMPAIRMENT				
As at January 1, 2023	–	–	(1,269)	(1,269)
Charged for the year	–	–	(72)	(72)
As at December 31, 2023	–	–	(1,341)	(1,341)
Charged for the year	–	(4,350)	(104)	(4,454)
As at December 31, 2024	–	(4,350)	(1,445)	(5,795)
Charged for the year	–	(11,380)	(122)	(11,502)
As at December 31, 2025	–	(15,730)	(1,567)	(17,297)
Charged for the period	–	(5,169)	(47)	(5,216)
As at March 31,2026	–	(20,899)	(1,614)	(22,513)
CARRYING VALUES				
As at December 31, 2023	21,752	–	114	21,866
As at December 31, 2024	35,146	17,402	254	52,802
As at December 31, 2025	46,472	41,168	747	88,387
As at March 31,2026	9,588	82,471	700	92,759

The Company

	Development costs	Intellectual properties	Software	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
As at January 1, 2023	–	–	1,455	1,455
Additions	13,304	–	–	13,304
As at December 31, 2023	13,304	–	1,455	14,759
Additions	21,331	–	244	21,575
Transfer	(13,304)	13,304	–	–
As at December 31, 2024	21,331	13,304	1,699	36,334
Additions	36,249	–	615	36,864
Transfer	(21,331)	21,331	–	–
As at December 31, 2025	36,249	34,635	2,314	73,198
Additions	7,932	–	–	7,932
Transfer	(36,249)	36,249	–	–
As at March 31,2026	7,932	70,884	2,314	81,130
AMORTIZATION AND IMPAIRMENT				
As at January 1, 2023	–	–	(1,270)	(1,270)
Charged for the year	–	–	(71)	(71)
As at December 31, 2023	–	–	(1,341)	(1,341)
Charged for the year	–	(2,661)	(104)	(2,765)
As at December 31, 2024	–	(2,661)	(1,445)	(4,106)
Charged for the year	–	(6,927)	(122)	(7,049)
As at December 31, 2025	–	(9,588)	(1,567)	(11,155)
Charged for the period	–	(3,546)	(47)	(3,593)
As at March 31,2026	–	(13,134)	(1,614)	(14,748)
CARRYING VALUES				
As at December 31, 2023	13,304	–	114	13,418
As at December 31, 2024	21,331	10,643	254	32,228
As at December 31, 2025	36,249	25,047	747	62,043
As at March 31,2026	7,932	57,750	700	66,382

Development costs are internally generated and are not available for use.

Except for the development costs, the above item has finite useful lives. Such intangible assets are amortized on a straight-line basis over the following periods:

Intellectual properties	5 years
Software	5 years

Details of the impairment assessment have been disclosed in note 19A.

19A. IMPAIRMENT ASSESSMENT ON PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

The management has identified indicators of impairment for non-current assets including property and equipment, right-of-use assets and intangible assets including development costs as the continuing losses position as at December 31, 2023, 2024 and 2025 and March 31, 2026. Given that the Group operates as a single CGU, the management performed the impairment assessment on non-current assets at the Group level based on the recoverable amount of the CGU as at December 31, 2023, 2024 and 2025 and March 31, 2026.

The basis of the recoverable amounts of the CGU has been determined based on a value in use calculation. The calculation uses cash flow projections with a uniform cut-off date ending December 31, 2030, being the expiry date of the economic useful lives of the relevant core assets. As such, the length of the forecast period shortens at each subsequent impairment assessment date. In particular, as at December 31, 2023, 2024 and 2025 and March 31, 2026, the remaining forecast periods covered by the cash flow projections are 7 years, 6 years, 5 years and 4.75 years respectively. The uniform forecast end date of December 31, 2030 is assessed to be appropriate, having regard to (i) the seven-year economic useful lives of the relevant core assets; (ii) the Group's business plans; and (iii) the expected sustained growth of the AI infrastructure software market in the period up to 2030.

The key assumptions based on management's best estimates as adopted for the recoverable amount calculations are as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
Pre-tax discount rate	12.50%	12.00%	11.29%	12.33%
Gross profit margin ratio	55.10%-66.30%	52.97%-60.45%	54.64%-61.02%	54.64%-61.02%

The discount rate used is pre-tax and reflect market assessments of time value and the specific risks relating to industry. The gross profit margin ratio is based on the Group's past performance and management's expectations for the market development.

Apart from pre-tax discount rate and gross profit margin ratio, the management of the Group considers there are no other key assumptions to the value in use calculation.

Impairment assessment — sensitivity analysis

The Group performed sensitivity analysis by increasing 1 percentage point of discounts rate or decreasing 2 percentage point of gross profit margin ratio, which are the key assumptions determine the recoverable amount, with all other variables held constant. The range of impact on the amount by which the recoverable amount above its carrying amount ("headroom") are as below:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Headroom	109,553	87,740	75,864	79,827
Negative impact by increasing discount rate	(45,649)	(47,138)	(26,663)	(23,391)
Negative impact by decreasing gross profit margin ratio	(108,343)	(82,499)	(75,213)	(70,018)

Based on the results of impairment assessment, there are no impairment losses recognized during the Track Record Period.

The management believes that any reasonable possible change in any of above assumptions would not cause the carrying amount to exceed the recoverable amount determined as at December 31, 2023, 2024 and 2025 and March 31, 2026.

20. INTERESTS IN ASSOCIATES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost of investments	–	450	5,240	5,240
Share of post-acquisition profits, net of dividends received	–	–*	(944)	(984)
	–	450	4,296	4,256

* Amount is less than RMB1,000

As at December 31, 2023, 2024 and 2025 and March 31, 2026, the Group had interests in the following associates established and operating in the PRC:

Name of associates	Registered capital	Proportion of ownership interest and voting rights held by the Group: As at December 31, 2023	2024	2025	As at March 31 2026	As at date of report	Principal activities
西安數治科技有限公司 (Xi'an Shuzhi Technology Co., Ltd**) ("Xi'an Shuzhi")	RMB10,000,000	N/A	15% *(i)*	15%	15%	15%	Research and development
貴州數安科技有限責任公司 (Guizhou Shu'an Technology Co., Ltd**) ("Guizhou Shu'an")	RMB10,000,000	N/A	15% *(ii)*	15%	15%	15%	Research and development
南京睿通行至數字科技有限公司 (Nanjing Ruitong Xingzhi Digital Technology Co., Ltd**) ("Nanjing Ruitong")	RMB8,000,000	N/A	N/A	28% *(iii)*	28%	28%	Research and development

The Company

	As at December 31, 2023	2024	2025	As at March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost of investments	–	450	3,000	3,000
Share of post-acquisition profits, net of dividends received	–	–*	(413)	(436)
	–	450	2,587	2,564

As at December 31, 2023, 2024 and 2025 and March 31, 2026, the Company had interests in the following associates established and operating in the PRC:

Name of associates	Registered capital	Proportion of ownership interest and voting rights held by the Company: As at December 31, 2023	2024	2025	As at March 31, 2026	As at date of report,	Principal activities
Xi'an Shuzhi	RMB10,000,000	N/A	15% *(i)*	15%	15%	15%	Research and development
Guizhou Shu'an	RMB10,000,000	N/A	15% *(ii)*	15%	15%	15%	Research and development

Notes:

(i) Xi'an Shuzhi was incorporated in 2024. According to the shareholder's agreement of Xi'an Shuzhi, the Group has the right to appoint one out of three directors in the board of directors. The Group can exercise significant influence in deciding Xi'an Shuzhi's financial or operating policies. Accordingly, the Group accounts for its interest in Xi'an Shuzhi using the equity method.

(ii) Guizhou Shu'an was incorporated in 2024. According to the shareholder's agreement of Guizhou Shu'an, the Group has the right to appoint one out of five directors in the board of directors. The Group can exercise significant influence in deciding Guizhou Shu'an's financial or operating policies. Accordingly, the Group accounts for its interest in Guizhou Shu'an using the equity method.

(iii) Nanjing Ruitong was incorporated in 2025. According to the shareholder's agreement of Nanjing Ruitong, the Group has the right to appoint one out of five directors in the board of directors. The Group can exercise significant influence in deciding Nanjing Ruitong's financial or operating policies. Accordingly, the Group accounts for its interest in Nanjing Ruitong using the equity method.

No associate was individually material to the Group and the Company for the Track Record Period.

* Amount is less than RMB1,000

** English name is for reference only

21. INTERESTS IN SUBSIDIARIES

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost of investments	186,411	215,092	253,907	255,737
Less: impairment losses on investments	–	–	–	–
	186,411	215,092	253,907	255,737

22. TRADE AND BILLS RECEIVABLES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables from third parties	411,310	381,072	344,614	336,761
Bills receivables from third parties	1,207	3,255	3,828	2,426
Trade receivables from a related party *(Note 39 (iii))*	1,278	30	30	30
	413,795	384,357	348,472	339,217
Less: allowance for credit losses	(36,363)	(46,995)	(83,037)	(80,261)
	377,432	337,362	265,435	258,956

As at January 1, 2023, trade receivables from contracts with customers of the Group amounted to RMB239,223,000 and bills receivables amounted to RMB2,719,000.

Included in bills receivables were bank acceptances notes amounted to RMB957,000, RMB3,255,000, RMB2,603,000 and RMB1,626,000 as at December 31, 2023, 2024 and 2025 and March 31, 2026, respectively, and the remaining are commercial acceptance notes. All bills received by the Group and the Company are with a maturity period of less than one year. For bills receivables, based on the historical data and management's analysis, the potential loss on collection of bills receivables is not material and no impairment loss is considered. As at December 31, 2024, bank acceptances notes amounted to RMB3,158,000 were discounted by the Group and the Company (December 31, 2023 and 2025 and March 31, 2026: nil). The directors of the Company consider the substantial risks in relation to these bills are interest risk as the credit risk arising from these bills are minimal. Upon the discount of these bills, the Group and the Company has transferred substantially all the risks of these bills to relevant banks, hence the Group and the Company has derecognized these bills receivables.

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables from third parties	388,178	361,053	328,273	319,226
Bills receivables from third parties	1,207	3,255	3,828	2,426
Trade receivables from a related party *(Note 39 (iii))*	1,278	30	30	30
Trade receivables from subsidiaries *(Note 39 (iii))*	7,266	8,045	4,818	5,328
	397,929	372,383	336,949	327,010
Less: allowance for credit losses	(34,139)	(43,751)	(77,760)	(74,996)
	363,790	328,632	259,189	252,014

As at January 1, 2023, trade receivables from contracts with customers of the Company amounted to RMB230,416,000 and bills receivables amounted to RMB2,719,000.

The following is an aging analysis of trade receivables net of allowance for credit losses presented based on dates of rendering of services or delivery of goods as at December 31, 2023, 2024 and 2025 and March 31, 2026:

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	313,327	173,434	159,429	159,769
1 to 2 years	48,872	135,180	40,936	33,872
2 to 3 years	14,026	25,493	61,242	62,889
	376,225	334,107	261,607	256,530

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	301,614	174,070	157,114	156,713
1 to 2 years	47,603	126,660	42,010	34,569
2 to 3 years	13,366	24,647	56,237	58,306
	362,583	325,377	255,361	249,588

The Group and the Company normally grants a credit period of 30 to 365 days or a particular period agreed with customers effective from the date when the services have been completed or control of goods has been transferred to the customer and billed to the customer.

The aging of bills receivables based on the issue dates of bills receivables were all within one year.

Details of expected credit loss assessment of trade and bills receivables are set out in Note 41(b) to the Historical Financial Information.

23. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits	10,813	20,604	20,659	20,708
Loans to a third party *(Note)*	2,000	2,000	2,000	2,000
Others	264	226	205	303
Less: allowance for credit losses	(4,704)	(5,389)	(6,082)	(6,098)
	8,373	17,441	16,782	16,913
Value-Added Tax ("VAT") recoverable	47	47	–	4,549
Deferred issue costs	–	–	18,642	20,088
Prepayments	55,179	7,115	4,795	6,048
	63,599	24,603	40,219	47,598
Analyzed as				
Current	15,765	24,603	40,219	47,598
Non-current	47,834	–	–	–
	63,599	24,603	40,219	47,598

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits	8,489	18,113	18,324	18,348
Loans to a third party *(Note)*	2,000	2,000	2,000	2,000
Others	216	184	187	302
Amounts due from subsidiaries *(Note 39 (iii))*	224,227	326,040	395,885	426,004
Less: allowance for credit losses	(19,109)	(31,208)	(32,129)	(35,971)
	215,823	315,129	384,267	410,683

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
VAT recoverable	–	–	–	4,519
Deferred issue costs	–	–	18,642	20,088
Prepayments	54,540	6,704	4,565	3,389
	270,363	321,833	407,474	438,679
Analyzed as				
Current	222,529	321,833	407,474	438,679
Non-current	47,834	–	–	–
	270,363	321,833	407,474	438,679

Note: As at December 31, 2023, 2024 and 2025 and March 31, 2026, the Group and the Company has recognized a full impairment loss of RMB2,000,000 in respect of loans to a third party, as the debtor was assessed to be unable to repay.

Details of expected credit loss assessment of other receivables are set out in Note 41(b) to the Historical Financial Information.

24. CONTRACT ASSETS

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Retention receivables	36,059	38,839	47,711	47,353
Consideration for the services performed to date	4,196	7,016	13,722	18,483
Less: allowance for credit losses	(4,518)	(6,393)	(13,326)	(13,213)
	35,737	39,462	48,107	52,623

As at January 1, 2023, contract assets of the Group amounted to RMB25,597,000.

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Retention receivables	34,331	36,981	45,880	45,464
Consideration for the services performed to date	4,196	7,015	13,722	18,483
Less: allowance for credit losses	(4,346)	(6,058)	(12,457)	(12,155)
	34,181	37,938	47,145	51,792

As at January 1, 2023, contract assets of the Company amounted to RMB25,136,000.

The contract assets represent the Group's right to consideration for the services performed to date because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group typically agrees to a retention period ranging from 3 months to 3 years for 5% to 20% of the contract value with certain customers in accordance with the terms specified in the relevant contracts. The Group transfers the contract assets to trade receivables upon maturity of retention period.

The Group and the Company classify these contract assets as current because the Group and the Company expect to realize them in its normal operating cycle.

Details of expected credit loss assessment of contract assets are set out in Note 41(b) to the Historical Financial Information.

25. CONTRACT COSTS

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Costs to fulfill contracts	48,686	49,955	47,016	48,502

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Costs to fulfill contracts	39,104	42,669	41,885	43,405

The contract costs primarily relate to the staff costs. Contract costs are recognized as part of cost of sales in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related contract is recognized.

26. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured deposits *(Note (i))*	575,000	61,500	50,083	30,116
Money market fund *(Note (i))*	20,175	10,152	21,505	36,581
Unlisted fund investment *(Note (ii))*	12,000	20,000	22,340	23,788
	607,175	91,652	93,928	90,485
Analyzed as				
Current	595,175	71,652	71,588	66,697
Non-current	12,000	20,000	22,340	23,788
	607,175	91,652	93,928	90,485

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured deposits *(Note (i))*	570,000	60,000	50,083	30,116
Money market fund *(Note (i))*	20,175	10,152	21,435	36,512
Unlisted fund investment *(Note (ii))*	12,000	20,000	22,340	23,788
	602,175	90,152	93,858	90,416
Analyzed as				
Current	590,175	70,152	71,518	66,628
Non-current	12,000	20,000	22,340	23,788
	602,175	90,152	93,858	90,416

Notes:

(i) The structured deposits and money market fund held by the Group and the Company are with variable interest rates and are classified as current as the management expects to realize these financial assets within twelve months after the reporting period.

(ii) The amounts represent unlisted equity interest in an entity established in the PRC.

Details of the above fair value instruments are set out in Note 41(c).

27. BILLS RECEIVABLES AT FVTOCI

The Group and the Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bills receivables	–	–	11,684	10,035

As at December 31, 2025 and March 31, 2026, certain bills which were held by the Group and the Company for the practice of discounting or endorsing to suppliers before the bills due for payment were classified as "bills receivables at FVTOCI". All the bills receivables at FVTOCI are with a maturity period of less than one year.

As at December 31, 2025 and March 31, 2026, bank acceptances notes amounted to RMB986,000 and RMB35,000 were endorsed to suppliers by the Group. These bills are issued by reputable PRC banks with high credit ratings, therefore the directors of the Company consider the substantial risks in relation to these bills are interest risk as the credit risk arising from these bills are minimal. Upon the endorsement of these bills, the Group has transferred substantially all the risks of these bills to relevant banks, hence the Group has derecognized these bills receivables.

28. CASH AND CASH EQUIVALENTS/TERM DEPOSITS

The Group and the Company

Cash and cash equivalents

Cash and cash equivalents carry interest at prevailing market rates of 0.20%-0.30%, 0.15%-0.25%, 0.05% - 3.67% and 0.05%-3.42% per annum for years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2026, respectively.

Term deposits

As at December 31, 2023, 2024 and 2025 and March 31, 2026, term deposits carry interests at market rates, which was from 2.85% to 4.00%, 2.80% to 3.95%, 2.30% to 3.86% and 2.05% to 2.85%, respectively.

Details of impairment assessment of cash and cash equivalents and term deposits are set out in Note 41(b) to the Historical Financial Information.

29. TRADE, BILLS AND OTHER PAYABLES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	94,160	93,979	98,158	91,437
Payroll payable	60,676	16,618	36,953	37,339
Other tax payables	25,479	25,630	25,850	20,569
Other payables	5,348	6,049	5,988	7,062
Accrued issue costs	–	–	5,188	6,518
Bills payables	–	–	5,098	6,312
	185,663	142,276	177,235	169,237
Trade, bills and other payables to third parties	183,837	142,276	177,235	169,237
Trade payables to a related party *(Note 39 (iii))*	1,826	–	–	–
	185,663	142,276	177,235	169,237

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	96,359	100,537	108,809	99,949
Payroll payable	43,059	11,540	22,965	23,398
Other payables	3,816	4,395	6,079	7,023
Other tax payables	6,994	6,802	5,380	1,518
Accrued issue costs	–	–	5,188	6,518
Bills payables	–	–	5,098	6,312
	150,228	123,274	153,519	144,718

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables to third parties	140,317	115,651	133,442	124,595
Trade payables to a related party *(Note 39 (iii))*	1,826	–	–	–
Amount due to subsidiaries *(Note 39 (iii))*	8,085	7,623	20,077	20,123
	150,228	123,274	153,519	144,718

The average credit period ranges from 30 to 270 days. The following is an aging analysis of trade payables presented based on the invoice dates at the end of each reporting period:

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	78,446	63,220	54,008	48,189
1 to 2 years	10,408	22,232	23,154	17,117
2 to 3 years	1,602	3,671	13,882	18,841
Over 3 years	3,704	4,856	7,114	7,290
	94,160	93,979	98,158	91,437

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	77,354	65,683	57,054	48,226
1 to 2 years	12,341	22,936	26,360	20,379
2 to 3 years	3,252	5,601	14,180	19,446
Over 3 years	3,412	6,317	11,215	11,898
	96,359	100,537	108,809	99,949

30. CONTRACT LIABILITIES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	38,450	62,574	57,270	55,562

As at January 1, 2023, contract liabilities of the Group amounted to RMB22,576,000.

Contract liabilities that are expected to be settled within the Group's normal operating cycle, are classified as current based on the Group's earliest obligation to transfer goods or services to the customers.

Included in contract liabilities balance of the Group as at January 1, 2023, 2024, 2025 and 2026, RMB16,603,000, RMB33,439,000, RMB52,324,000 and RMB16,750,000 were recognized as revenue during the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively.

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	35,303	59,284	52,198	51,299

As at January 1, 2023, contract liabilities of the Company amounted to RMB19,898,000.

Contract liabilities that are expected to be settled within the Company's normal operating cycle, are classified as current based on the Company's earliest obligation to transfer goods or services to the customers.

Included in contract liabilities balance of the Company as at January 1, 2023, 2024, 2025 and 2026, RMB14,579,000, RMB30,574,000, RMB49,510,000 and RMB14,385,000 were recognized as revenue during the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively.

31. BORROWINGS

The Group and the Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At amortized cost				
Unsecured variable-rate bank borrowings	18,015	40,027	–	–
Unsecured fixed-rate bank borrowings	–	–	10,026	9,853
Secured variable-rate bank borrowings	37,531	–	20,010	–
	55,546	40,027	30,036	9,853

As of December 31, 2023, 2024, 2025 and March 31, 2026, the carrying amounts of the above borrowings are all repayable within one year.

As at December 31, 2023, 2024 and 2025 and March 31, 2026, bank loans amounted to RMB37,531,000, RMBnil, RMB20,010,000 and RMBnil respectively were secured by patent held by the Company.

The Group's and Company's variable-rate borrowings carry interest at Loan Prime Rate ("LPR").

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's and Company's borrowings are as follows:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
Effective interest rates:				
Variable-rate borrowings	2.70%-2.80%	2.40%-2.45%	2.03%	N/A
Fixed-rate borrowings	N/A	N/A	2.00%	2.00%

32. FINANCIAL LIABILITIES AT FVTPL

The Group and the Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Derivative financial liabilities *(Note)*	–	–	44	267
Analyzed as				
Current	–	–	44	267

Note: The derivative financial liabilities held by the Group and the Company mainly comprise foreign exchange forward contracts entered into by the Group to manage its exposure to foreign currency risk.

Details of the above fair value instruments are set out in Note 41(c).

33. LEASE LIABILITIES

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities payable:				
Within one year	14,899	17,206	15,295	11,398
Within a period of more than one year but not exceeding two years	12,997	15,418	1,261	513
Within a period of more than two years but not exceeding five years	11,061	1,298	–	–
	38,957	33,922	16,556	11,911

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less: Amount due for settlement within 12 months shown as current liabilities	14,899	17,206	15,295	11,398
Amount due for settlement after 12 months shown as non-current liabilities	24,058	16,716	1,261	513

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities payable:				
Within one year	8,999	11,926	10,964	7,606
Within a period of more than one year but not exceeding two years	9,723	11,043	–	–
Within a period of more than two years but not exceeding five years	8,843	–	–	–
	27,565	22,969	10,964	7,606
Less: Amount due for settlement within 12 months shown as current liabilities	8,999	11,926	10,964	7,606
Amount due for settlement after 12 months shown as non-current liabilities	18,566	11,043	–	–

The weighted average incremental borrowing rates applied to the lease liabilities is 4.20%, 3.60%, 3.50% and 3.50% per annum for the Track Record Period.

34. PROVISIONS

The Group

	Warranty provisions
	RMB'000
As at January 1, 2023	15,663
Additional provision in the year	27,460
Utilization of provision	(18,973)
As at December 31, 2023	24,150
Additional provision in the year	16,812
Utilization of provision	(23,390)
As at December 31, 2024	17,572
Additional provision in the year	26,924
Utilization of provision	(20,513)
As at December 31, 2025	23,983
Additional provision in the period	7,072
Utilization of provision	(5,396)
As at March 31,2026	25,659

The Company

	Warranty provisions
	RMB'000
As at January 1, 2023	15,328
Additional provision in the year	24,622
Utilization of provision	(17,111)
As at December 31, 2023	22,839
Additional provision in the year	16,254
Utilization of provision	(22,013)
As at December 31, 2024	17,080

	Warranty provisions
	RMB'000
Additional provision in the year	26,918
Utilization of provision	(20,020)
As at December 31, 2025	23,978
Additional provision in the period	6,932
Utilization of provision	(5,355)
As at March 31,2026	25,555

The warranty provision represents management's best estimate of the Group's liability under 1 to 3 years assurance-type warranty related to AI and big data infrastructure software and related technical services and consulting services, based on prior experience and industry averages for defective products and services.

35. DEFERRED INCOME

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Assets-related government subsidies *(Note 8)*	7,227	2,955	3,742	1,349
Expense-related government subsidies *(Note 8)*	3,037	2,492	6,670	3,814
	10,264	5,447	10,412	5,163

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Assets-related government subsidies	7,030	2,809	3,654	1,275
Expense-related government subsidies	1,538	992	5,170	3,814
	8,568	3,801	8,824	5,089

36. SHARE CAPITAL

	Number of shares	Amount
		RMB'000
Ordinary shares of RMB1 each		
Authorized, issued and fully paid		
As at January 1, 2023, December 31, 2023 and 2024	120,842,068	120,842
Issuance of ordinary shares *(Note (i))*	293,848	294
As at December 31, 2025 and March 31, 2026	121,135,916	121,136

Notes:

(i) During the year ended December 31, 2025, the Group issued a total of 293,848 ordinary shares to the Group's director and employees as the result of exercise of share options after vesting period with a total consideration of RMB13,241,000 at the exercise price of RMB45.06.

(ii) Share capital, including the investments from pre-IPO investors, were all classified as equity instruments. All special rights granted to the pre-IPO investors had been terminated in June 2021, which was prior to the Track Record Period. Further, the obligations of special rights under the supplemental agreement granted to the pre-IPO investors were attached to the grantor shareholders, and the Company, in all circumstances, was not a contractual party and was not subject to any liabilities under such special rights. The management represented that there were no guarantees by the Company in respect of the redemption right previously granted by the grantor shareholders to the pre-IPO Investors and accordingly, no financial liability regarding such redemption right was recognized during the Track Record Period. Further details of the special rights and termination arrangement were disclosed in the section of "Investments Prior to The A Share Listing" under "History, Development and Corporate Structure" in the Prospectus.

37. RESERVE OF THE COMPANY

	Share premium	Share-based payments reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	2,219,200	58,702	(389,660)	1,888,242
Loss and total comprehensive expense for the year	–	–	(219,228)	(219,228)
Recognition of equity-settled share-based payments *(Note 38)*	–	20,320	–	20,320
As at December 31, 2023	2,219,200	79,022	(608,888)	1,689,334
Loss and total comprehensive expense for the year	–	–	(258,456)	(258,456)
Recognition of equity-settled share-based payments *(Note 38)*	–	(1,112)	–	(1,112)
As at December 31, 2024	2,219,200	77,910	(867,344)	1,429,766
Loss and total comprehensive expense for the year	–	–	(147,746)	(147,746)
Issue of ordinary shares under 2023 Share Incentive Scheme *(Notes 36 and 38)*	29,387	(16,440)	–	12,947
As at December 31, 2025	2,248,587	61,470	(1,015,090)	1,294,967
Loss and total comprehensive expense for the period	–	–	(34,530)	(34,530)
As at March 31, 2026	2,248,587	61,470	(1,049,620)	1,260,437

38. SHARE-BASED PAYMENT TRANSACTIONS

Restricted A-share Scheme

In order to attract, motivate and retain certain eligible directors and employees, the Company established the direct stock ownership platform 上海贊星投資中心(有限合夥) and indirect stock ownership platforms (collectively referred to as "Employee Stock Ownership Platform") in June 2014 and September 2019 respectively, to subscribe the Company' registered capital for implementation of employee incentive schemes of the Company ("Restricted A-share Scheme").

The Restricted A-share Scheme was adopted before the year of 2022. The directors of the Company may grant restricted shares to eligible employees, including directors of the Company and its subsidiaries, to indirectly hold the capital of the Company through Employee Stock Ownership Platform.

The vesting schedule is over four years with 25% will vest on the later of each anniversary of the vesting commencement date or the A-shares listed date as stipulated in respective grant notices.

The outstanding amount of restricted shares as at December 31, 2023, 2024 and 2025 and March 31, 2026 was 4,079,874, 4,079,874 and 4,079,874 and 4,079,874, respectively.

The Black-Scholes pricing model has been used to estimate the fair value of Restricted A-share Scheme.

2023 Share Incentive Scheme

For the purpose of providing incentives to eligible participants who contribute to the success of the Group's operations, as considered and approved at shareholders meeting of the Company on March 29, 2023, the Company adopted the 2023 Share Incentive Scheme.

On March 31, 2023 ("2023 March Batch") and October 30, 2023 ("2023 October Batch"), 1,146,191 and 37,000 options were granted to a director and eligible employees with an exercise price of RMB45.06 per share, respectively. Share options are vested to rewarded employees, subject to performance evaluation at corporate level and individual level in which 40% of the total amount will be vested on from the first trading day after the expiry of the 12-month period from the date of grant and ending on the last trading day of the 24-month period from the date of grant, 20% of the total amount will be vested on from the first trading day after the expiry of the 24-month period from the date of grant and ending on the last trading day of the 36-month period from the date of grant, 20% of the total amount will be vested on from the first trading day after the expiry of the 36-month period from the date of grant and ending on the last trading day of the 48-month period from the date of grant and remaining 20% of the total amount will be vested on from the first trading day after the expiry of the 48-month period from the date of grant and ending on the last trading day of the 60-month period from the date of grant (the "Type A Vesting Period").

On March 26, 2024, 66,809 options were granted to eligible employees with an exercise price of RMB45.06 per share (the "2024 March Batch"). Share options are vested to rewarded employees, subject to performance evaluation at corporate level and individual level in which 40% of the total amount will be vested on from the first trading day after the expiry of the 12-month period from the date of grant and ending on the last trading day of the 24-month period from the date of grant, 30% of the total amount will be vested on from the first trading day after the expiry of the 24-month period from the date of grant and ending on the last trading day of the 36-month period from the date of grant and remaining 30% of the total amount will be vested on from the first trading day after the expiry of the 36-month period from the date of grant and ending on the last trading day of the 48-month period from the date of grant (the "Type B Vesting Period").

The 2023 Share Incentive Scheme, subject to performance evaluation at corporate level and individual level, shall be valid for a term of 66 months, commencing from the date of grant and ending on the date on which all the share options granted to the Incentive Participants have been exercised or cancelled.

Details of the share options granted under the 2023 Share Incentive Scheme are as follows:

Batch	Grantee	Grant during the year of	Vesting period defined in contract term	Number of options granted
2023 March Batch	Director	2023	Type A Vesting Period	30,797
2023 March Batch	Employees	2023	Type A Vesting Period	1,115,394
2023 October Batch	Employees	2023	Type A Vesting Period	37,000
2024 March Batch	Employees	2024	Type B Vesting Period	66,809

Set out below are details of the movements of the outstanding share options through the Track Record Period:

	Number of options	Weighted average exercise price	Weighted average grant date fair value	Exercisable at the end of the year	Weighted average remaining contractual life
		RMB	*RMB*		*Years*
Outstanding as of December 31, 2022	–	–	–	–	–
Granted	1,183,191	45.06	59.63		
Forfeited	(38,500)	45.06	61.00		
Outstanding as of December 31, 2023	1,144,691	45.06	59.58	–	4.77
Granted	66,809	45.06	15.80		
Forfeited	(177,102)	45.06	58.44		
Outstanding as of December 31, 2024	1,034,398	45.06	56.95	316,199	3.83
Exercised	(293,848)	45.06	56.23		
Forfeited	(363,224)	45.06	54.01		
Outstanding as of December 31, 2025	377,326	45.06	60.92	–	2.82
Forfeited	(201,722)	45.06	60.49		
Outstanding as of March 31, 2026	175,604	45.06	63.14	–	2.56

As at December 31, 2023, 2024 and 2025 and March 31, 2026, the weighted average exercise prices per share option for outstanding share options are all RMB45.06.

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' of the Company best estimate. Changes in variables and assumptions may result in changes in the fair value of the options. These fair values and corresponding inputs into the model were as follows:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
Risk-free interest rate	2.23%~2.60%	1.17%~2.08%	*Note*	*Note*	*Note*
Expected dividend yield	0.00%	0.00%	*Note*	*Note*	*Note*
Expected volatility range	51.12%~ 56.35%	53.72%~58.68%	*Note*	*Note*	*Note*
Expected life	5.5 Years	5.5 Years	*Note*	*Note*	*Note*
Grant date option fair value	RMB13.10~ 66.75	RMB12.76~19.31	*Note*	*Note*	*Note*

Notes: The Company did not grant new option during the year ended December 31, 2025 and the three months ended March 31,2026.

The Group recognized expense of RMB20,320,000 for the year ended December 31, 2023. As the performance evaluation at corporate level were no satisfied, the group reversed expenses of RMB1,112,000 for the year ended December 31, 2024 and there is no expense recognized or reversed for the year ended December 31, 2025 and the three months ended March 31, 2026 in relation to 2023 Share Incentive Scheme granted by the Company.

39. RELATED PARTY TRANSACTIONS

(i) The relationships with related parties during the Track Record Period

Name of related parties	Relationships with the Group
Tencent Cloud Computing (Beijing) Co., Ltd.* 騰訊雲計算(北京)有限責任公司 ("Tencent Cloud")	Under ultimate control with shareholders holding 5% or more of the Company's shares
Shenzhen Tencent Computer Systems Co., Ltd.* 深圳市騰訊計算機系統有限公司 ("Shenzhen Tencent")	Under ultimate control with shareholders holding 5% or more of the Company's shares
Guangzhou Smart Software Co., Ltd.* 廣州思邁特軟件有限公司 ("Guangzhou Smart")	Entity in which the Company's supervisor serves as a director

(ii) The Group and the Company has following transactions with related parties during the Track Record Period:

The Group

Sales of goods and rendering of services

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Tencent Cloud	66	(57)	–	–	–

Purchase of goods and receipt of services

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Guangzhou Smart	1,413	–	–	–	–
Tencent Cloud	19	175	72	–	8
Shenzhen Tencent	–	5	5	–	3
	1,432	180	77	–	11

The Company

Sales of goods and rendering of services

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Tencent Cloud	66	(57)	–	–	–
Subsidiaries of the Company	11,819	7,495	1,744	320	551
	11,885	7,438	1,744	320	551

Sales of property and equipment

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Subsidiaries of the Company	–	–	5,983	–	–

* English name is for reference only.

Purchase of goods and receipt of services

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Guangzhou Smart	1,413	–	–	–	–
Tencent Cloud	19	175	72	–	8
Shenzhen Tencent	–	5	4	–	3
Subsidiaries of the Company	121,249	103,144	69,433	–	–
	122,681	103,324	69,509	–	11

(iii) The Group and the Company had balances with related parties, which are all unsecured, as follows:

The Group

Trade receivables

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tencent Cloud *(Note)*	1,278	30	30	30

Note: The above amounts due from a related party are presented before accumulative impairment losses.

Contract assets

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tencent Cloud *(Note)*	141	6	6	6

Note: The above amounts due from a related party are presented before accumulative impairment losses.

Prepayment

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tencent Cloud	45	–*	–*	–

Trade payables

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Guangzhou Smart	1,826	–	–	–

All the balances with related parties at the Group level are trade in nature.

* Amount is less than RMB1,000

The Company

Trade receivables

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade nature – subsidiaries of the Company	7,266	8,045	4,818	5,328

Amounts due from subsidiaries

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-trade nature	224,227	326,040	395,885	426,004

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Amounts due to subsidiaries

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade nature	8,085	7,623	18,677	18,282
Non-trade nature	–	–	1,400	1,841

The amounts due to subsidiaries of non-trade nature are unsecured, interest-free and repayable on demand.

(iv) Compensation of key management personnel of the Group

The directors are regarded as the key management of the Group. The compensation paid or payable to the key management for employment services is disclosed in Note 14.

40. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to investors through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debts, which includes borrowings disclosed in Note 31 and lease liabilities disclosed in Note 33, net of cash and cash equivalents and term deposits disclosed in Note 28 and total equity comprising share capital and reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital. Based on recommendation of the management of the Group, the Group will balance its overall capital structure through the new share issues or issue of new debt.

41. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Amortized cost	885,486	983,657	737,120	646,953
Financial assets at FVTPL	607,175	91,652	93,928	90,485
Financial assets at FVTOCI	–	–	11,684	10,035
Financial liabilities				
Amortized cost	155,054	140,055	139,280	114,664
Financial liabilities at FVTPL	–	–	44	267

The Company

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Amortized cost	1,054,662	1,232,350	1,047,136	979,743
Financial assets at FVTPL	602,175	90,152	93,858	90,416
Financial assets at FVTOCI	–	–	11,684	10,035
Financial liabilities				
Amortized cost	155,721	144,959	150,022	123,137
Financial liabilities at FVTPL	–	–	44	267

(b) Financial risk management objectives and policies

The Group's and the Company's major financial instruments include trade and bills receivables, other receivables, cash and cash equivalents, term deposits, restricted bank deposits, financial assets at FVTPL, bills receivables at FVTOCI, trade, bills and other payables, lease liabilities, borrowings and financial liabilities at FVTPL. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with the financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Certain financial assets and liabilities are denominated in foreign currencies of respective group entities which are exposed to foreign currency risk. The management of the Group monitors foreign exchange exposure and enters into the forward exchange contracts to mitigate the foreign exchange risk.

The carrying amounts of the Group's foreign currencies denominated monetary assets and liabilities at the end of the Track Record Period are as follows:

The Group

		As at December 31,			As at March 31,
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Currency	**Financial assets**				
Singapore dollar ("SGD")	Trade and bills receivables	1,114	383	105	–
	Prepayment and other receivables	–	418	258	253
	Cash and cash equivalents	16,743	20,144	1,661	2,022
United States dollar ("USD")	Cash and cash equivalents	1,610	12,499	29,018	28,798
	Term deposits	–	–	14,490	11,071
Canadian dollar ("CAD")	Trade and bills receivables	–	12	–	–
	Cash and cash equivalents	726	908	480	194
Hong Kong dollar ("HKD")	Cash and cash equivalents	–	–	–	812

		As at December 31,			As at March 31,
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Currency	**Financial liabilities**				
SGD	Trade and other payables	116	205	281	193
CAD	Trade and other payables	61	73	60	125
Swiss franc ("CHF")	Borrowings	–	–	9,956	9,733

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies, the foreign currencies with which the Group may have a material exposure. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis uses outstanding foreign currencies denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in loss where RMB strengthens 5% against the relevant foreign currencies. For a 5% weakening of RMB against the relevant foreign currencies, there would be an equal and opposite impact on the loss for the respective years.

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Profit or loss				
SGD	887	1,037	87	104
USD	81	625	2,175	1,993
CAD	33	42	21	3
HKD	–	–	–	41
CHF	–	–	(498)	(487)

(ii) Interest rate risk

The Group and the Company are primarily exposed to fair value interest rate risk in relation to term deposits (Note 28), fixed-rate bank borrowings (Note 31) and lease liabilities (Note 33) and cash flow interest rate risk in relation to variable-rate bank borrowings (Note 31) and cash and cash equivalents (Note 28). The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the Track Record Period. The analysis is prepared assuming the financial instruments outstanding at the end of Track Record Period were outstanding for the whole year. A 50 basis point increase or decrease in variable-rate bank borrowings are used which represents management's assessment of the reasonably possible change in interest rates. Cash and cash equivalents are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 would increase/decrease by RMB278,000, RMB200,000 and RMB100,000 and RMBnil.

(iii) Other price risk

The Group is also exposed to equity price risk through its investments in unlisted fund measured at FVTPL. In the opinion of the management, the exposure of equity price risk through its investments in unlisted fund measured at FVTPL is insignificant and thus no sensitivity analysis is prepared.

Credit risk and impairment assessment

Credit risk refers to the risk that a customer or counterparties will default on their contractual obligations resulting in financial losses to the Group and the Company. The Group considers all elements of credit risk exposure such as counterparty default risk and sector risk for risk management purposes.

The Group's and the Company's credit risk exposures are primarily attributable to trade and bills receivables, other receivables, bills receivables at FVTOCI, contract assets, term deposits, restricted bank deposits and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimize the credit risk, the management of the Group and the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group's and the Company's credit risk is significantly reduced.

Trade receivables, contract assets and trade related amounts due from subsidiaries arising from contracts with customers

For trade receivables, contract assets and trade related amounts due from subsidiaries, the Group and the Company perform impairment assessment under ECL model individually and collectively. Except for trade receivables that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables, contract assets and trade related amounts due from subsidiaries are assessed collectively by using a provision matrix, estimated based on debtors' aging because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

In order to minimize the credit risk, the Group and the Company has tasked its operation management committee to develop and maintain the Group's and the Company's credit risk gradings to categorize exposures according to their degree of risk of default.

Bills receivables and bills receivables at FVTOCI

The management of the Group and the Company considered the credit risk of bank-issued notes and commercial bills is insignificant and no impairment was provided on them at the year end.

Other receivables, deposits and non-trade related amounts due from subsidiaries

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and supportive forward-looking information. Except for the credit-impaired other receivables and deposits, there is no significant increase in credit risk for remaining other receivables and deposits since initial recognition and the Group and the Company provided impairment based on 12m ECL.

The ECL on non-trade related amounts due from subsidiaries are assessed individually based on the probability of defaults of non-trade related amounts due from subsidiaries, the management has taken into account the financial position of the counterparties as well as forward looking information that is available without undue cost or effort.

Cash and cash equivalents, restricted bank deposits and term deposits

The credit risk on cash and cash equivalents, restricted bank balances and term deposits is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies or state-owned banks in the PRC. In the opinion of the directors of the Company, the risk of default by these counterparties is not significant and the Group assessed that the ECL on these balances are insignificant.

The table below details the credit risk exposures of the Group's and the Company's financial assets and contract assets, which are subject to ECL assessment:

			Gross carrying amounts							
			The Group				The Company			
			As at December 31,			As at March 31,	As at December 31,			As at March 31,
	Notes	12m or lifetime ECL	2023	2024	2025	2026	2023	2024	2025	2026
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at amortized cost										
Trade receivables and trade-related amounts due from subsidiaries	*22*	Lifetime ECL – not credit-impaired (collectively assessed)	403,495	363,186	326,327	318,474	389,041	354,052	317,947	309,410
		Lifetime ECL – credit-impaired (individually assessed)	9,093	17,916	18,317	18,317	7,681	15,076	15,174	15,174
Bills receivables	*22*	12m ECL	1,207	3,255	3,828	2,426	1,207	3,255	3,828	2,426
Other receivables and deposits	*23*	12m ECL	11,077	20,830	10,782	10,913	8,705	18,297	8,429	8,552
		Lifetime ECL – credit-impaired	2,000	2,000	12,082	12,098	2,000	2,000	12,082	12,098
Non-trade related amounts due from subsidiaries	*39(iii)*	12m ECL	–	–	–	–	224,227	326,040	395,885	426,004
Term deposits	*28*	12m ECL	146,927	85,587	100,944	128,166	146,927	85,587	86,454	117,095
Restricted bank deposits		12m ECL	6	6	8	8	6	6	8	8
Cash and cash equivalents	*28*	12m ECL	352,748	543,261	353,951	242,910	328,116	502,996	317,218	199,943
Other items										
Contract assets	*24*	Lifetime ECL – not credit-impaired (collectively assessed)	40,255	45,855	61,433	65,836	38,527	43,996	59,602	63,947
Financial assets at FVTOCI										
Bills receivables at FVTOCI	*27*	12m ECL	–	–	11,684	10,035	–	–	11,684	10,035

As part of the Group's and the Company's credit risk management, except for the debtors' balances assessed individually, the Group and the Company use debtors' aging to assess the impairment for its customers in relation to its operation because these customers have common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on provision matrix as at December 31, 2023, 2024 and 2025 and March 31, 2026 within lifetime ECL.

The Group

Debtors with credit-impaired with gross carrying amounts of approximately RMB9,093,000, RMB17,916,000, RMB18,317,000 and RMB18,317,000 as at December 31, 2023, 2024 and 2025 and March 31 2026 were assessed individually.

	Gross carrying amount as at							
	December 31, 2023		December 31, 2024		December 31, 2025		March 31, 2026	
Debtor's aging	Expected credit loss rate	Trade receivables and contract assets	Expected credit loss rate	Trade receivables and contract assets	Expected credit loss rate	Trade receivables and contract assets	Expected credit loss rate	Trade receivables and contract assets
		RMB'000		*RMB'000*		*RMB'000*		*RMB'000*
Within 1 year	3.17%	348,632	3.22%	200,286	4.79%	200,345	4.79%	205,651
1 to 2 years	14.72%	66,798	9.71%	166,096	16.45%	58,780	16.42%	51,007
2 to 3 years	30.58%	25,110	20.12%	37,261	30.48%	100,488	30.12%	101,202
Over 3 years	100.00%	3,210	100.00%	5,398	100.00%	28,147	100.00%	26,450
		443,750		409,041		387,760		384,310

The Company

Debtors with credit-impaired with gross carrying amounts of approximately RMB7,681,000, RMB15,076,000, RMB15,174,000 and RMB15,174,000 as at December 31, 2023, 2024 and 2025 and March 31, 2026 were assessed individually.

	Gross carrying amount as at							
	December 31, 2023		December 31, 2024		December 31, 2025		March 31, 2026	
Debtor's aging	Expected credit loss rate	Trade receivables, contract assets and trade-related amount due from subsidiaries	Expected credit loss rate	Trade receivables, contract assets and trade-related amount due from subsidiaries	Expected credit loss rate	Trade receivables, contract assets and trade-related amount due from subsidiaries	Expected credit loss rate	Trade receivables, contract assets and trade-related amount due from subsidiaries
		RMB'000		*RMB'000*		*RMB'000*		*RMB'000*
Within 1 year	3.17%	335,576	3.28%	200,915	4.79%	197,915	4.79%	202,381
1 to 2 years	14.72%	64,910	9.71%	155,483	16.45%	59,731	16.42%	51,673
2 to 3 years	31.00%	23,891	20.12%	35,802	30.48%	92,122	30.12%	93,738
Over 3 years	100.00%	3,191	100.00%	5,848	100.00%	27,781	100.00%	25,565
		427,568		398,048		377,549		373,357

The following table shows the movement in lifetime ECL that has been recognized for trade receivables and contract assets under the simplified approach.

The Group

	Lifetime ECL – not credit-impaired	Lifetime ECL – credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	18,328	6,703	25,031
– Transfer to credit-impaired	(2,390)	2,390	–
– Impairment losses recognized, net of reversal	15,850	–	15,850
As at December 31, 2023	31,788	9,093	40,881
– Transfer to credit-impaired	(8,823)	8,823	–
– Impairment losses recognized, net of reversal	12,507	–	12,507
As at December 31, 2024	35,472	17,916	53,388
– Transfer to credit-impaired	(401)	401	–
– Impairment losses recognized, net of reversal	42,975	–	42,975
As at December 31, 2025	78,046	18,317	96,363

	Lifetime ECL – not credit-impaired	Lifetime ECL – credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*
– Impairment losses recognized, net of reversal	(2,889)	–	(2,889)
As at March 31, 2026	75,157	18,317	93,474

The Company

	Lifetime ECL – not credit-impaired	Lifetime ECL – credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	18,537	5,291	23,828
– Transfer to credit-impaired	(2,390)	2,390	–
– Impairment losses recognized, net of reversal	14,657	–	14,657
As at December 31, 2023	30,804	7,681	38,485
– Transfer to credit-impaired	(7,395)	7,395	–
– Impairment losses recognized, net of reversal	11,324	–	11,324
As at December 31, 2024	34,733	15,076	49,809
– Transfer to credit-impaired	(98)	98	–
– Impairment losses recognized, net of reversal	40,408	–	40,408
As at December 31, 2025	75,043	15,174	90,217
– Impairment losses recognized, net of reversal	(3,066)	–	(3,066)
As at March 31, 2026	71,977	15,174	87,151

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities and lease liabilities based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023						
Trade, bills and other payables	–	99,508	–	–	99,508	99,508
Borrowings	2.73	56,419	–	–	56,419	55,546
Lease liabilities	4.20	16,388	13,851	11,294	41,533	38,957
		172,315	13,851	11,294	197,460	194,011

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024						
Trade, bills and other payables	–	100,028	–	–	100,028	100,028
Borrowings	2.42	40,513	–	–	40,513	40,027
Lease liabilities	3.60	18,355	15,792	1,311	35,458	33,922
		158,896	15,792	1,311	175,999	173,977

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025						
Trade, bills and other payables	–	109,244	–	–	109,244	109,244
Derivative financial liabilities	–	44	–	–	44	44
Borrowings	2.01	30,164	–	–	30,164	30,036
Lease liabilities	3.50	15,667	1,273	–	16,940	16,556
		155,119	1,273	–	156,392	155,880

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at March 31, 2026						
Trade, bills and other payables	–	104,811	–	–	104,811	104,811
Derivative financial liabilities	–	267	–	–	267	267
Borrowings	2.00	9,896	–	–	9,896	9,853
Lease liabilities	3.50	11,612	516	–	12,128	11,911
		126,586	516	–	127,102	126,842

The Company

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023						
Trade, bills and other payables	–	100,175	–	–	100,175	100,175
Borrowings	2.73	56,419	–	–	56,419	55,546
Lease liabilities	4.20	10,103	10,378	9,031	29,512	27,565
		166,697	10,378	9,031	186,106	183,286

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024						
Trade, bills and other payables	–	104,932	–	–	104,932	104,932
Borrowings	2.42	40,513	–	–	40,513	40,027
Lease liabilities	3.60	12,742	11,280	–	24,022	22,969
		158,187	11,280	–	169,467	167,928

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025						
Trade, bills and other payables	–	119,986	–	–	119,986	119,986
Derivative financial liabilities	–	44	–	–	44	44
Borrowings	2.01	30,164	–	–	30,164	30,036
Lease liabilities	3.50	11,201	–	–	11,201	10,964
		161,395	–	–	161,395	161,030

	Weighted average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at March 31, 2026						
Trade, bills and other payables	–	113,284	–	–	113,284	113,284
Derivative financial liabilities	–	267	–	–	267	267
Borrowings	2.00	9,896	–	–	9,896	9,853
Lease liabilities	3.50	7,724	–	–	7,724	7,606
		131,171	–	–	131,171	131,010

(c) Fair value measurements of financial instruments

(i) Fair value of the Group's and the Company's financial assets that are measured at fair value on a recurring basis

Some of the Group's and the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

The Group

	Notes	Fair value as at December 31,			Fair value as at March 31,	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
		2023	2024	2025	2026			
		RMB'000	RMB'000	RMB'000	RMB'000			
Financial assets								
Structured deposits	26	575,000	61,500	50,083	30,116	Level 2	Discounted cash flow method. Future cash flows are estimated based on discount rate observed in the available market.	N/A
Money market fund	26	20,175	10,152	21,505	36,581	Level 2	Discounted cash flow method. Future cash flows are estimated based on expected return.	N/A
Unlisted fund investment	26	12,000	20,000	22,340	23,788	Level 3	Net assets value of unlisted fund.	The higher the net assets value, the higher the fair value *(Note (i))*
Bills receivables at FVTOCI	27	–	–	11,684	10,035	Level 3	Discounted cash flow method. Future cash flows are estimated based on expected discount rate.	The higher the expected discount rate, the lower the fair value *(Note (ii))*

	Notes	Fair value as at December 31, 2023	2024	2025	Fair value as at March 31, 2026	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*			
Financial liabilities								
Derivative financial liabilities	*32*	–	–	44	267	Level 2	Discounted cash flow method. Future cash flows are estimated based on observable forward exchange rates and contracted forward rates, discounted at rates that reflect the credit risk of various counterparties.	N/A

The Company

	Notes	Fair value as at December 31, 2023	2024	2025	Fair value as at March 31, 2026	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*			
Financial assets								
Structured deposits.	*26*	570,000	60,000	50,083	30,116	Level 2	Discounted cash flow method. Future cash flows are estimated based on discount rate observed in the available market.	N/A
Money market fund	*26*	20,175	10,152	21,435	36,512	Level 2	Discounted cash flow method. Future cash flows are estimated based on expected return.	N/A
Unlisted fund investment . . .	*26*	12,000	20,000	22,340	23,788	Level 3	Net assets value of unlisted fund.	The higher the net assets value, the higher the fair value *(Note (i))*
Bills receivables at FVTOCI	*27*	–	–	11,684	10,035	Level 3	Discounted cash flow method. Future cash flows are estimated based on expected return rate.	The higher the return rate, the lower the fair value *(Note (ii))*

	Notes	Fair value as at December 31, 2023	2024	2025	Fair value as at March 31, 2026	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
		RMB'000	RMB'000	RMB'000	RMB'000			
Financial liabilities								
Derivative financial liabilities	32	–	–	44	267	Level 2	Discounted cash flow method. Future cash flows are estimated based on observable forward exchange rates and contracted forward rates, discounted at rates that reflect the credit risk of various counterparties.	N/A

Note:

(i) A 10% increase/decrease in the net assets while holding all other variables constant would increase/decrease the fair value measurement of the unlisted fund investments by RMB1,200,000, RMB2,000,000, RMB2,234,000 and RMB2,379,000 as at December 31, 2023, 2024 and 2025 and March 31, 2026, respectively.

(ii) A 10% increase/decrease in the expected return rate while holding all other variables constant would decrease/increase the fair value measurement of the bills receivables at FVTOCI by RMBnil, RMBnil, RMB1,168,000 and RMB1,004,000 as at December 31, 2023, 2024 and 2025 and March 31, 2026 respectively.

There were no transfers between Level 1, Level 2 and Level 3 during the Track Record Period.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amounts of the Group's and the Company's financial assets and financial liabilities recorded at amortized cost in the Historical Financial Information approximate their fair values.

(iii) Reconciliation of Level 3 fair value measurements

The Group and the Company

	Unlisted fund investments	Bills receivables at FVTOCI
	RMB'000	RMB'000
As at January 1, 2023 . . .	–	–
Additions . . .	12,000	–
December 31, 2023 . . .	12,000	–
Additions . . .	8,000	–
As at December 31, 2024 . . .	20,000	–
Additions . . .	–	21,682
Settlements . . .	(2,189)	(9,998)
Gains recognized in profit or loss . . .	4,529	–
As at December 31, 2025 . . .	22,340	11,684
Additions . . .	–	2,523
Disposal . . .	(1,751)	–
Settlements . . .	–	(4,172)
Gains recognized in profit or loss . . .	3,199	–
As at March 31, 2026 . . .	23,788	10,035

42. RETIREMENT BENEFIT PLANS

The employees of the Group in the PRC are members of the state-sponsored retirement benefit scheme organized by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of their employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The total amount provided by the Group to the scheme in the PRC and charged to profit or loss and capitalized as contract costs and development costs are RMB55,150,000, RMB57,870,000, RMB49,769,000 and RMB11,495,000 for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 respectively.

43. PARTICULARS OF SUBSIDIARIES

During the Track Record Period and as at the date of this report, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiaries	Place/ country and date of establishment/ incorporation	Issued and fully paid-in/registered capital					Equity interest attributable to the Company					Principal activities
		As at December 31,			As at March 31,	As at the date of this report	As at December 31,			As at March 31	As at the date of this report	
		2023	2024	2025	2026		2023	2024	2025	2026		
星環眾志科技(北京)有限公司 Transwarp Zhongzhi Technology (Beijing) Co., Ltd.	The PRC/ February 15, 2017	RMB30,000,000/ RMB30,000,000	RMB30,000,000/ RMB30,000,000	RMB30,000,000/ RMB30,000,000	RMB30,000,000/ RMB30,000,000	RMB30,000,000/ RMB30,000,000	100%	100%	100%	100%	100%	Information transmission, software and information technology services
星環眾志信息科技(南京)有限公司 Transwarp Zhongzhi Information Technology (Nanjing) Co., Ltd.	The PRC/ September 5, 2018	RMB20,000,000/ RMB20,000,000	RMB20,000,000/ RMB20,000,000	RMB20,000,000/ RMB20,000,00	RMB20,000,000/ RMB20,000,000	RMB20,000,000/ RMB20,000,000	100%	100%	100%	100%	100%	Information transmission, software and information technology services
河南星環衆志信息科技有限公司 Henan Transwarp Zhongzhi Information Technology Co., Ltd.	The PRC/ July 5, 2018	RMB10,000,000/ RMB10,000,000	RMB10,000,000/ RMB10,000,000	RMB10,000,000/ RMB10,000,000	RMB10,000,000/ RMB10,000,000	RMB10,000,000/ RMB10,000,000	100%	100%	100%	100%	100%	Information transmission, software and information technology services
重慶星環人工智能科技研究院有限公司 Chongqing Transwarp Artificial Intelligence Technology Co., Ltd.	The PRC/ November 15, 2019	RMB10,000,000/ RMB10,000,000	RMB10,000,000/ RMB10,000,000	RMB10,000,000/ RMB10,000,000	RMB10,000,000/ RMB10,000,000	RMB10,000,000/ RMB10,000,000	100%	100%	100%	100%	100%	Information transmission, software and information technology services
安徽星環人工智能科技有限公司 Anhui Transwarp Artificial Intelligence Technology Co., Ltd.	The PRC/ March 20, 2020	RMB9,790,000/ RMB20,000,000	RMB14,790,000/ RMB20,000,000	RMB18,390,000/ RMB20,000,000	RMB19,340,000/ RMB20,000,000	RMB20,000,000/ RMB20,000,000	100%	100%	100%	100%	100%	Information transmission, software and information technology services
上海星環大數據產業技術發展促進中心 Shanghai Transwarp Big Data Industry Technology Development Promotion Center	The PRC/ March 30, 2017	RMB100,000/ RMB100,000	RMB100,000/ RMB100,000	RMB100,000/ RMB100,000	RMB100,000/ RMB100,000	RMB100,000/ RMB100,000	100%	100%	100%	100%	100%	Information transmission, software and information technology services
南京星環智能科技有限公司 Nanjing Transwarp Intelligent Technology Co., Ltd.	The PRC/ September 30, 2019	RMB50,000,000/ RMB50,000,000	RMB50,000,000/ RMB50,000,000	RMB50,000,000/ RMB50,000,000	RMB50,000,000/ RMB50,000,000	RMB50,000,000/ RMB50,000,000	100%	100%	100%	100%	100%	Information transmission, software and information technology services

Name of subsidiaries	Place/ country and date of establishment/ incorporation	Issued and fully paid-in/registered capital					Equity interest attributable to the Company					Principal activities
		As at December 31,			As at March 31,	As at the date of this report	As at December 31,			As at March 31	As at the date of this report	
		2023	2024	2025	2026		2023	2024	2025	2026		
星環超智信息科技(濟南)有限公司 Transwarp Chaozhi Information Technology (Jinan) Co., Ltd. ("Transwarp Jinan")	The PRC/ November 18, 2020	RMB7,119,934/ RMB20,000,000	RMB9,169,934/ RMB20,000,000	RMB12,319,934/ RMB13,200,000	RMB13,200,000/ RMB13,200,000	RMB13,200,000/ RMB13,200,000	66%	66%	100% *(Note)*	100%	100%	Information transmission, software and information technology services
Transwarp Technology (Canada) Co., Ltd.	Canada/ January 1, 2020	CAD700,000/ CAD700,000	CAD1,000,000/ CAD1,000,000	CAD1,000,000/ CAD1,000,000	CAD1,000,000/ CAD1,000,000	CAD1,000,000/ CAD1,000,000	100%	100%	100%	100%	100%	Information transmission, software and information technology services
Transwarp Technology (Singapore) PTE Ltd.	Singapore/ November 16, 2018	SGD5,000,000/ SGD5,000,000	SGD8,700,000/ SGD8,700,000	SGD8,700,000, USD4,000,000/ SGD8,700,000, USD4,000,000	SGD8,700,000, USD4,000,000/ SGD8,700,000, USD4,000,000	SGD8,700,000, USD4,000,000/ SGD8,700,000, USD4,000,000	100%	100%	100%	100%	100%	Information transmission, software and information technology services
星環信息科技有限公司 Transwarp Information Technology Co., Ltd.	Hong Kong/ November 30, 2023	RMBnil/ RMB80,000	RMB80,000/ RMB80,000	RMB80,000/ RMB80,000	RMB80,000/ RMB80,000	RMB80,000/ RMB80,000	100%	100%	100%	100%	100%	Information transmission, software and information technology services
星環眾誌(西安)信息科技有限公司 Xinghuan Zhongzhi (Xi'an) Information Technology Co., Ltd	The PRC/ January 18, 2025	N/A	N/A	RMB3,000,000/ RMB3,000,000	RMB3,000,000/ RMB3,000,000	RMB3,000,000/ RMB3,000,000	N/A	N/A	100%	100%	100%	Information transmission, software and information technology services
Transwarp Malaysia SDN. BHD.	Malaysia/ December 31, 2025	N/A	N/A	RMBnil/ MYR1,000	RMBnil / MYR1,000	MYR500,000/ MYR500,000	N/A	N/A	100%	100%	100%	Information transmission, software and information technology services

Note: In April 2025, the Group's ownership interest in Transwarp Jinan increased from 66% to 100% as the minority shareholder withdraws of shares.

No audited statutory financial statements were prepared for these entities for the years ended December 31, 2023, 2024 and 2025 as there are no statutory audit requirements.

44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities	Borrowings	Trade and bills payables	Accrued issue costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	35,625	–	–	–	35,625
Financing cash flow *(Note)*	(21,491)	54,299	–	–	32,808
Non-cash changes:					
Finance costs	1,558	1,247	–	–	2,805
New leases entered	23,903	–	–	–	23,903
Reclassification of the outstanding rental payables	(375)	–	375	–	–
Early termination of lease	(263)	–	–	–	(263)
As at December 31, 2023	38,957	55,546	375	–	94,878
Financing cash flow *(Note)*	(19,450)	(16,879)	(375)	–	(36,704)
Non-cash changes:					
Finance costs	1,784	1,360	–	–	3,144
New leases entered	15,851	–	–	–	15,851
Early termination of lease	(3,220)	–	–	–	(3,220)
As at December 31, 2024	33,922	40,027	–	–	73,949
Financing cash flow	(12,837)	(11,027)	–	(13,584)	(37,448)
Non-cash changes:	–	–	–		–
Finance costs	1,144	1,080	–		2,224
Deferred issue costs recognized	–	–	–	18,642	18,642
Net foreign exchange losses	–	(44)	–	–	(44)
Early termination of lease	(178)	–	–	–	(178)
Reclassification of the outstanding rental payables	(5,495)	–	5,495	–	–
As at December 31, 2025	16,556	30,036	5,495	5,058	57,145
Financing cash flow	(3,273)	(20,063)	(385)	(394)	(24,115)
Non-cash changes:					
Finance costs	167	103	–	–	270
Deferred issue costs recognized	–	–	–	1,446	1,446
Net foreign exchange losses	–	(223)	–	256	33
Lease modification	(147)	–	–	–	(147)
Reclassification of the outstanding rental payables	(1,392)	–	1,392	–	–
As at March 31, 2026	11,911	9,853	6,502	6,366	34,632

Note: the financing cash flow of lease liabilities excludes the VAT impact.

45. SUBSEQUENT EVENTS

There were no material events taken place subsequent to March 31, 2026.

46. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to March 31, 2026 and up to the date of this report.

The following is the text of a report set out on pages IA-1 to IA-14, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

Deloitte. 德勤

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF TRANSWARP TECHNOLOGY (SHANGHAI) CO., LTD.

Introduction

We have reviewed the condensed consolidated financial statements of Transwarp Technology (Shanghai) Co., Ltd. ("星環信息科技(上海)股份有限公司") (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages IA-2 to IA-14, which comprise the condensed consolidated statement of financial position as at June 30, 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The condensed consolidated financial statements have been prepared by the directors of the Company solely for the purpose of application of listing of the shares of the Company on The Stock Exchange of Hong Kong Limited. As a result, the condensed consolidated financial statements may not be suitable for another purpose. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 11, 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	NOTES	Six months ended June 30,	
		2026	2025
		RMB'000 (unaudited)	*RMB'000 (unaudited)*
Revenue	*4*	173,456	152,045
Cost of sales		(91,294)	(82,443)
Gross profit		**82,162**	**69,602**
Other income	*5*	5,763	22,113
Other gains and losses, net	*6*	27,054	2,744
Selling expenses		(67,996)	(75,455)
Administrative expenses		(52,404)	(61,996)
Listing expenses		(454)	–
Research and development expenses		(96,482)	(99,002)
Impairment losses under expected credit loss ("ECL") model, net of reversal	*7*	(9,492)	549
Finance costs	*8*	(637)	(1,374)
Share of results of associates		(351)	(127)
Loss before tax	*9*	(112,837)	(142,946)
Income tax expense	*10*	–	–
Loss and other comprehensive expense for the period		**(112,837)**	**(142,946)**
Loss and other comprehensive expense for the period attributable to:			
Owners of the Company		(112,837)	(142,946)
Non-controlling interests		–	–
		(112,837)	(142,946)
Loss per share			
– Basic (RMB yuan)	*11*	(0.93)	(1.18)
– Diluted (RMB yuan)	*11*	(0.93)	(1.18)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	NOTES	As at June 30, 2026 RMB'000 (unaudited)	As at December 31, 2025 RMB'000 (audited)
Non-current assets			
Property and equipment		84,476	102,307
Right-of-use assets	*13*	32,485	16,987
Intangible assets	*14*	97,880	88,387
Interests in associates		3,945	4,296
Term deposits	*18*	101,680	70,587
Financial assets at fair value through profit or loss ("FVTPL")	*17*	48,168	22,340
		368,634	304,904
Current assets			
Trade and bills receivables	*15*	264,088	265,435
Prepayments and other receivables	*16*	52,542	40,219
Contract assets		54,911	48,107
Inventories		2,878	4,779
Contract costs		47,929	47,016
Financial assets at FVTPL	*17*	67,295	71,588
Bills receivables at fair value through other comprehensive income ("FVTOCI")		986	11,684
Term deposits	*18*	27,070	30,357
Restricted bank deposits		8	8
Cash and cash equivalents	*18*	151,330	353,951
		669,037	873,144
Current liabilities			
Trade and other payables	*19*	146,521	177,235
Contract liabilities		49,314	57,270
Borrowings	*20*	30,016	30,036
Financial liabilities at FVTPL		–	44
Provisions		26,635	23,983
Lease liabilities		10,187	15,295
		262,673	303,863
Net current assets		**406,364**	**569,281**
Total assets less current liabilities		**774,998**	**874,185**
Non-current liabilities			
Lease liabilities		20,593	1,261
Deferred income		4,730	10,412
		25,323	11,673
Net assets		**749,675**	**862,512**
Capital and reserves			
Share capital		121,136	121,136
Reserves		628,539	741,376
Total equity		**749,675**	**862,512**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Share capital	Share premium	Share-based payments reserve	Other reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*			*RMB'000*
As at January 1, 2025 (audited)	120,842	2,219,200	77,910	–	(1,319,225)	1,098,727	(4,286)	1,094,441
Loss and total comprehensive expense for the period	–	–	–	–	(142,946)	(142,946)	–	(142,946)
Purchase of additional interests in a subsidiary	–	–	–	(4,286)	–	(4,286)	4,286	–
Issue of ordinary shares under 2023 Share Incentive Scheme *(Note 21)*	288	29,106	(16,440)	–	–	12,954	–	12,954
As at June 30, 2025 (unaudited)	121,130	2,248,306	61,470	(4,286)	(1,462,171)	964,449	–	964,449

	Share capital	Share premium	Share-based payments reserve	Other reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*			*RMB'000*
As at January 1, 2026 (audited)	121,136	2,248,587	61,470	(4,286)	(1,564,395)	862,512	–	862,512
Loss and total comprehensive expense for the period	–	–	–	–	(112,837)	(112,837)	–	(112,837)
As at June 30, 2026 (unaudited)	121,136	2,248,587	61,470	(4,286)	(1,677,232)	749,675	–	749,675

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Six months ended June 30,	
	2026	**2025**
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
OPERATING ACTIVITIES		
NET CASH USED IN OPERATING ACTIVITIES	(155,855)	(132,777)
INVESTING ACTIVITIES		
Interest received	1,560	3,461
Investment in an associate	–	(450)
Proceeds on disposal of property and equipment	11	6
Purchase of property and equipment	(741)	(3,971)
Purchase of intangible assets	(15,803)	(452)
Proceeds from disposal of financial assets at FVTPL	697,751	2,207,500
Purchases of financial assets at FVTPL	(691,455)	(2,167,000)
Withdrawal of term deposits	13,839	70,000
Placement of term deposits	(41,071)	(25,055)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(35,909)	84,039
FINANCING ACTIVITIES		
Interest paid	(344)	(702)
Repayments of lease liabilities	(8,154)	(9,141)
New bank loans raised	30,000	30,000
Repayments of borrowings	(30,000)	(20,000)
Issued costs paid	(1,137)	–
Proceeds from issue of new shares	–	12,954
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(9,635)	13,111
NET DECREASE IN CASH AND CASH EQUIVALENTS	(201,399)	(35,627)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	353,951	543,261
Effect of foreign exchange rate changes	(1,222)	(892)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	151,330	506,742

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

1. GENERAL INFORMATION

The Company was established and registered in the People's Republic of China (the "PRC") on June 5, 2013, as a limited liability company. In December 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. In October 2022, the Company was listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (stock code: 688031). The address of the registered office and the principal place of business of the Company are set out in the section headed "Corporate Information" in the prospectus dated September 11, 2026 (the "Prospectus").

The Group is principally engaged in the developing and delivering AI and enterprise-grade data infrastructure and software solutions.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting" issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's historical financial information for each of the three years ended December 31, 2025 and the three months ended March 31, 2026 (the "Historical Financial Information") included in the accountants' report as set out in Appendix I to the Prospectus.

4. REVENUE AND SEGMENT INFORMATION

	Six months ended June 30,	
	2026	**2025**
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Type of business lines		
AI and big data infrastructure software and related technical services	139,365	111,087
Consulting services	26,400	34,115
Other business	7,691	6,843
	173,456	152,045
Timing of revenue recognition		
A point in time	122,136	118,190
Over time	51,320	33,855
	173,456	152,045
Sales channel		
Direct sales	165,888	148,636
Distributorship	7,568	3,409
	173,456	152,045

Segment information

For the purpose of resource allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

The Group principally operates in the PRC, which is also the place of domicile. The Group's revenue is substantially derived from operations in the PRC and the Group's non-current assets are substantially located in the PRC.

Information about major customers

For the six months ended June 30, 2026 and 2025, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue.

5. OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000 (unaudited)	*RMB'000 (unaudited)*
Unconditional Government grants *(Notes (i))*	558	6,197
Release of assets-related government subsides *(Notes (ii))*	349	3,007
Release of expense-related government subsides *(Notes (ii))*	1,714	880
Interest income on bank balances	1,104	1,903
Interest income on term deposits	1,515	751
Tax refunds	523	9,375
	5,763	22,113

Notes:

(i) The government grants represent unconditional grants from the PRC local governments to encourage the operations and industry development. Unconditional government grants are recognized in profit or loss when received.

(ii) The Group and the Company received various government grants aimed at encouraging the research and development projects or electronic equipment acquisitions. Government grants received for which related research and development expenditure has not yet been undertaken are included in deferred income in the condensed consolidated statement of financial position and recognized in the profit or loss over the period necessary to match them with the expenditures that they are intended to compensate. Government grants received related to assets are recognized in profit or loss over the expected useful lives of the relevant assets.

6. OTHER GAINS AND LOSSES, NET

	Six months ended June 30,	
	2026	2025
	RMB'000 (unaudited)	*RMB'000 (unaudited)*
Gain on changes in fair value of financial assets at FVTPL	28,857	3,159
Net foreign exchange losses	(1,423)	(926)
Loss on changes in fair value of financial liabilities at FVTPL	(391)	–
Losses on disposal of property and equipment	(100)	(40)
Others	111	551
	27,054	2,744

7. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Six months ended June 30,	
	2026	2025
	RMB'000 (unaudited)	*RMB'000 (unaudited)*
Impairment losses (recognized) reversed on:		
- trade receivables	(8,029)	1,933
- other receivables	(16)	(100)
- contract assets	(1,447)	(1,284)
	(9,492)	549

8. FINANCE COSTS

	Six months ended June 30,	
	2026	2025
	RMB'000 (unaudited)	*RMB'000 (unaudited)*
Interest on borrowings	280	699
Interest on lease liabilities	357	675
	637	1,374

9. LOSS FOR THE PERIOD

Loss before tax for the period has been arrived at after charging (crediting):

	Six months ended June 30,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Depreciation of property and equipment	18,219	18,802
Depreciation of right-of-use assets	7,669	8,106
Amortization of intangible assets	10,433	5,724
Total depreciation and amortization	36,321	32,632
Less: amounts capitalized in the contract costs	(10,554)	(5,856)
amounts capitalized in the intangible assets	(4,291)	(4,549)
	21,476	22,227
Auditors' remuneration	–	37
Impairment losses reversed on contract costs included in cost of sales	(514)	(391)
Cost of inventories recognized as cost of sales	6,106	4,416
Amortization of contract costs	73,585	68,234
Research and development costs recognized as an expense	96,482	99,002
Total staff costs:		
- fees, salaries and other benefits	190,259	200,214
- retirement benefit scheme contributions	22,676	24,873
- termination benefits	7,003	14,801
Total staff costs (including directors and supervisors' emoluments)	219,938	239,888
Less: amounts capitalized in the contract costs	(35,852)	(45,995)
amounts capitalized in the intangible assets	(14,662)	(18,079)
	169,424	175,814

10. INCOME TAX EXPENSE

No provision for income tax expense has been made since the Company and its subsidiaries have no assessable profits for the six months ended June 30, 2026 (six months ended June 30, 2025: Nil).

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Loss		
Loss for the purpose of basic and diluted loss per share for the period attributable to owners of the Company	(112,837)	(142,946)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	121,136	120,938
	RMB	*RMB*
Basic and diluted loss per share	(0.93)	(1.18)

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended June 30, 2026 and 2025, the Company has the unexercised share options granted to the directors and employees as set out in Note 21 to the condensed consolidated financial statements. As the Group incurred losses for the six months ended June 30, 2026 and 2025, the share options were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended June 30, 2026 and 2025 is the same as basic loss per share for the respective periods.

12. DIVIDENDS

No dividend was paid, declared or proposed for the shareholders of the Company during the six months ended June 30, 2026 (six months ended June 30, 2025: nil), nor has any dividend been proposed since the end of the reporting period.

13. RIGHT-OF-USE ASSETS

During the six months ended June 30, 2026, the Group renewed several lease agreements and entered into several new lease agreements with lease terms ranged from 2.5 to 3.25 years (six months ended June 30, 2025: nil). On date of lease modification or lease commencement, the Group recognised right-of-use assets of RMB23,167,000 and lease liabilities of RMB23,167,000 (six months ended June 30, 2025: nil).

14. INTANGIBLE ASSETS

During the six months ended June 30, 2026, the Group incurred additional expenditures on intangible assets amounting to RMB19,926,000 (six months ended June 30, 2025: RMB24,465,000), consisting of development costs RMB19,926,000 (six months ended June 30, 2025: development costs RMB24,065,000 and software RMB400,000).

14A. IMPAIRMENT ASSESSMENT ON PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

The management has identified indicators of impairment for non-current assets including property and equipment, right-of-use assets and intangible assets including development costs as the continuing losses position as at June 30, 2026. Given that the Group operates as a single CGU, the management performed the impairment assessment on non-current assets at the Group level based on the recoverable amount of the CGU as at June 30, 2026.

Based on the result of impairment assessment, there are no impairment losses recognized during the current period.

15. TRADE AND BILLS RECEIVABLES

	As at June 30, 2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Trade receivables from third parties	353,589	344,614
Bills receivables from third parties	1,535	3,828
Trade receivables from related parties	30	30
	355,154	348,472
Less: allowance for credit losses	(91,066)	(83,037)
	264,088	265,435

The Group normally grants a credit period of 30 to 365 days or a particular period agreed with customers effective from the date when the services have been completed or control of goods has been transferred to the customer and billed to the customer.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on dates of rendering of services or delivery of goods at the end of the reporting period:

	As at June 30, 2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Within 1 year	175,536	159,429
1 to 2 years	33,873	40,936
2 to 3 years	53,144	61,242
	262,553	261,607

The aging of bills receivables based on the issue dates of bills receivables were all within one year.

16. PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30,	As at December 31,
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Deposits	20,919	20,659
Loans to a third party	2,000	2,000
Others	201	205
Less: allowance for credit losses	(6,098)	(6,082)
	17,022	16,782
Value-Added Tax recoverable	4,224	–
Deferred issue costs	22,317	18,642
Prepayments	8,979	4,795
	52,542	40,219

17. FINANCIAL ASSETS AT FVTPL

	As at June 30,	As at December 31,
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Structured deposits *(Note (i))*	50,187	50,083
Unlisted fund investment *(Note (ii))*	48,168	22,340
Money market fund *(Note (i))*	17,108	21,505
	115,463	93,928
Analyzed as		
Current	67,295	71,588
Non-current	48,168	22,340
	115,463	93,928

Notes:

(i) The structured deposits and money market fund held by the Group are with variable interest rates and are classified as current as the management expects to realize these financial assets within twelve months after the reporting period.

(ii) The amounts represent unlisted equity interest in an entity established in the PRC.

18. CASH AND CASH EQUIVALENTS/TERM DEPOSITS

Cash and cash equivalents carry interest at prevailing market rates of 0.05% to 3.50% as at June 30, 2026 (December 31, 2025: 0.05% to 3.67%).

Term deposits held by the Group carry interests at market rates ranging from 2.30% to 2.85% as at June 30, 2026 (December 31, 2025: 2.30% to 3.86%).

19. TRADE AND OTHER PAYABLES

	As at June 30,	As at December 31,
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Trade payables	90,403	98,158
Other tax payables	22,198	25,850
Payroll payable	9,809	36,953
Other payables	8,855	5,988
Accrued issue costs	7,897	5,188
Bills payables	7,359	5,098
	146,521	177,235

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period is as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Within 1 year	48,870	54,008
1 to 2 years	15,356	23,154
2 to 3 years	19,094	13,882
Over 3 years	7,083	7,114
	90,403	98,158

20. BORROWINGS

During the six months ended June 30, 2026, the Group obtained new bank loans amounting to RMB30,000,000 (six months ended June 30, 2025: RMB30,000,000), and repaid bank loans amounting to RMB30,000,000 (six months ended June 30, 2025: RMB20,000,000).

As at June 30, 2026, the Group had a fixed-rate bank loan with a carrying amount of RMB10,000,000, and a floating-rate bank loan with a carrying amount of RMB20,000,000. The fixed-rate loan carries an interest rate of 2.08% per annum. The floating-rate bank loan carries interest at one-year Loan Prime Rate ("LPR") minus 0.92% per annum. All loans are all repayable within one year.

21. SHARE-BASED PAYMENT TRANSACTIONS

The restricted shares issued under the employee stock ownership platform ("Restricted A-share Scheme"), which are disclosed in Note 38 to the Historical Financial Information included in the accountants' report as set out in Appendix I to the Prospectus, has no change for the six months ended June 30, 2026 and 2025.

The following table summarized the movement of the outstanding share options under the share option plan adopted on March 29, 2023 ("2023 Share Incentive Scheme") during the six months ended June 30, 2026 and 2025:

	Number of options	Weighted average exercise price	Weighted average grant date fair value	Weighted average remaining contractual life
		RMB	*RMB*	*Years*
Outstanding as of December 31, 2024	**1,034,398**	**45.06**	**56.95**	**3.83**
Exercised	(287,448)	45.06	57.19	
Forfeited	(319,134)	45.06	52.65	
Outstanding as of June 30, 2025	**427,816**	**45.06**	**60.51**	**3.40**

	Number of options	Weighted average exercise price	Weighted average grant date fair value	Weighted average remaining contractual life
		RMB	*RMB*	*Years*
Outstanding as of December 31, 2025	**377,326**	**45.06**	**60.92**	**2.82**
Forfeited	(204,562)	45.06	60.13	
Outstanding as of June 30, 2026	**172,764**	**45.06**	**63.60**	**2.38**

22. RELATED PARTY TRANSACTIONS

(i) The relationships with related parties during the reporting periods

Name of related parties	Relationship with the Group
Tencent Cloud Computing (Beijing) Co., Ltd.* 騰訊雲計算(北京)有限責任公司 ("Tencent Cloud")	Under ultimate control with shareholders holding 5% or more of the Company's shares
Shenzhen Tencent Computer Systems Co., Ltd.* 深圳市騰訊計算機係統有限公司 ("Shenzhen Tencent")	Under ultimate control with shareholders holding 5% or more of the Company's shares
Beijing Tencent Cultural Media Co., Ltd.* 北京騰訊文化傳媒有限公司 ("Beijing Tencent")	Under ultimate control with shareholders holding 5% or more of the Company's shares

* *English name is for reference only.*

(ii) The Group has following transactions with related parties during the reporting periods:

Purchase of goods and receipt of services

	Six months ended June 30,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Tencent Cloud	36	14
Shenzhen Tencent	5	4
Beijing Tencent	3	–
	44	18

(iii) As at the end of the reporting periods, the Group had balances with related parties, which are all unsecured, as follows:

Trade receivables

	As at June 30,	As at December 31,
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Tencent Cloud *(Note)*	30	30

Note: The carrying amounts of trade receivables are presented gross of allowance for credit losses.

Contract assets

	As at June 30,	As at December 31,
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(audited)*
Tencent Cloud *(Note)*	6	6

Note: The carrying amounts of contract assets are presented gross of allowance for credit losses.

All the balances with related parties at the Group level are trade in nature.

(iv) Compensation of key management personnel

The remuneration of directors of the Company was as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*
Fees, salaries and other benefits	3,846	3,621
Retirement benefit scheme contributions	220	218
Discretionary bonuses *(Note)*	520	–
	4,586	3,839

Note: Discretionary bonus are determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

• **Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Note	Fair value as at June 30, 2026	Fair value as at December 31, 2025	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
		RMB'000 (unaudited)	*RMB'000 (audited)*			
Financial assets						
Money market fund	*17*	17,108	21,505	Level 2	Discounted cash flow method. Future cash flows are estimated based on expected return.	N/A
Structured deposits	*17*	50,187	50,083	Level 2	Discounted cash flow method. Future cash flows are estimated based on discount rate observed in the available market.	N/A
Unlisted fund investment	*17*	48,168	22,340	Level 3	Net assets value of unlisted fund.	The higher the net assets value, the higher the fair value *(Note (i))*
Bills receivables at FVTOCI	*N/A*	986	11,684	Level 3	Discounted cash flow method. Future cash flows are estimated based on expected discount rate.	The higher the expected discount rate, the lower the fair value *(Note (ii))*
Financial liabilities						
Derivative financial liabilities	*N/A*	–	44	Level 2	Discounted cash flow method. Future cash flows are estimated based on observable forward exchange rates and contracted forward rates, discounted at rates that reflect the credit risk of various counterparties.	N/A

Notes:

(i) A 10% increase/decrease in the net assets while holding all other variables constant would increase/decrease the fair value measurement of the unlisted fund investments by RMB4,817,000 as at June 30, 2026.

(ii) A 10% increase/decrease in the expected return rate while holding all other variables constant would decrease/increase the fair value measurement of the bills receivables at FVTOCI by RMB99,000 as at June 30, 2026.

There were no transfers between Level 1, 2 and 3 during the reporting periods.

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements approximate their fair values.

Reconciliation of Level 3 fair value measurements

	Unlisted fund investment	Bills receivables at FVTOCI
	RMB'000	*RMB'000*
As at January 1, 2025 (audited) and June 30, 2025 (unaudited)	20,000	–
As at January 1, 2026 (audited)	22,340	11,684
Additions	–	3,723
Disposal	(1,751)	–
Settlements	–	(14,421)
Gains recognized in profit or loss	27,579	–
As at June 30, 2026 (unaudited)	48,168	986

24. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no material events taken place subsequent to June 30, 2026.

The information set forth in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of the three years ended December 31, 2025 and the three months ended March 31, 2026 (the "Track Record Period") (the "Accountants' Report") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company as set forth in Appendix I to this prospectus is included herein for information only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for illustration only, and is set out to illustrate the effect of the proposed Global Offering (as defined in this prospectus) on the consolidated net tangible assets of the Group attributable to the owners of the Company as at March 31, 2026, as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2026 or as at any subsequent dates following the Global Offering.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2026 as derived from the Accountants' Report set out in Appendix I to this prospectus, and adjusted as described below.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2026	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at March 31, 2026**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at March 31, 2026**	
	RMB'000 *(Note 1)*	*RMB'000* *(Note 2)*	*RMB'000*	*RMB* *(Note 3)*	*HK$* *(Note 4)*
Based on the offer price of HK$61.00 per H Share	713,754	676,895	1,390,649	10.29	11.90
Based on the offer price of HK$49.00 per H Share	713,754	537,348	1,251,102	9.26	10.71

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2026 is arrived at after deducting intangible assets attributable to owners of the Company of RMB92,759,000, from the consolidated net assets attributable to owners of the Company of RMB806,513,000 as at March 31, 2026 as extracted from the Accountants' Report set out in Appendix I to this prospectus.

2. The estimated net proceeds from the Global Offering are based on 14,010,800 H Shares at the offer price of HK$61.00 (equivalent to RMB52.74) and HK$49.00 (equivalent to RMB42.37) per H Share, being the high-end and low-end of the offer price range after deduction of the estimated underwriting fees and commissions and other listing related expenses not yet recognized in profit or loss up to March 31, 2026. It does not take into account of any share which may be allotted and issued pursuant to share options granted under the 2023 Share Incentive Scheme.

   For the purpose of this unaudited pro forma statement, the estimated net proceeds from the Global Offering, the amount denominated in HK$ has been converted into RMB at the rate of HK$1 to RMB0.8647, which was the exchange rate prevailing on 21 August 2026 with reference to the rate published by the People's Bank of China. No representation is made that the HK$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 March 2026 is based on 135,146,716 shares at March 31, 2026 were in issue assuming that the Global Offering had been completed on March 31, 2026 and without taking into account of any share which may be allotted and issued pursuant to share options granted under the 2023 Share Incentive Scheme.

4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per share as at March 31, 2026 is converted from RMB to HK$ at an exchange rate of RMB1 to HK$1.1565, which was the exchange rate prevailing on 21 August 2026 with reference to the rate published by the People's Bank of China. No representation is made that RMB amounts have been, could have been or may be converted to HK$, or vice versa, at that rate or any other rates or at all.

5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group as at March 31, 2026 to reflect any trading result or other transactions of the Group entered into subsequent to March 31, 2026.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Deloitte. 德勤

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Transwarp Technology (Shanghai) Co., Ltd. ("星環信息科技(上海)股份有限公司")

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Transwarp Technology (Shanghai) Co., Ltd. ("星環信息科技(上海)股份有限公司") (the "Company") and its subsidiaries (hereinafter collectively referred to as 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 March 31, 2026 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated September 11, 2026 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Global Offering (as defined in the Prospectus) on the Group's financial position as at March 31, 2026 as if the proposed Global Offering had taken place at March 31, 2026. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended December 31, 2025 and the three months ended March 31, 2026, on which an accountants' report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited 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 (the "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 behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and 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 unaudited 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 unaudited 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 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 unaudited 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 purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited 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 unaudited pro forma financial information.

The purpose of unaudited 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 the event or transaction at March 31, 2026 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited 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 unaudited 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 unaudited 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 unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma 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:

(a) the unaudited 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 unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 11, 2026

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax, value-added tax (the "**VAT**"), stamp duty and estate duty. Prospective investors are urged to consult their financial advisors regarding the PRC and other tax consequences of owning and disposing of the H shares.

TAXATION IN CHINESE MAINLAND

Tax on Dividends Distribution

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "**IIT Law**"), which was latest amended on August 31, 2018 and effective on January 1, 2019, and its implementation rules, for individual income including interest, dividend and bonus, individual income tax with applicable proportional tax rate of 20% shall be paid. Unless otherwise provided by the competent financial and taxation authorities under the State Council, all the interest, dividend and bonus are deemed as derived from the PRC whether the payment place is in the PRC. According to the Circular on Certain Issues Concerning the Policies of Individual Income Tax (《關於個人所得稅若干政策問題的通知》) promulgated on May 13, 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises.

Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the Ministry of Finance (the "**MOF**"), the State Administration of Taxation (the "**SAT**") and the CSRC on September 7, 2015 and effective on September 8, 2015, where an individual acquires the stocks of a listed company from public offering of the company or from the stock market and holds the stocks for more than one year, the income from dividends and bonuses shall be temporarily exempt from individual income tax. Where an individual acquires the stocks of a listed company from public offering of the company or from the stock market and holds the stocks for not more than one month, the income from dividends and bonuses shall be included in the taxable income in full amount; or if the individual holds the stocks for more than one month but not more than one year, the income from dividends and bonuses shall be temporarily included in the taxable income at the reduced rate of 50%. Individual income tax on the aforesaid income shall be calculated and collected at the uniform rate of 20%.

Enterprise Investors

The principal laws, rules and regulations governing dividend distributions by foreign invested enterprises in the PRC are the Company Law 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. When the PRC Company distributes the after-tax profits of the current year, it shall allocate 10% of the profits into the statutory reserve fund. If the accumulated amount of the statutory reserve fund reaches 50% of the registered capital, the Company is released from the obligation of withholding statutory reserve fund. Where the statutory common reserve fund of the company is not sufficient to recover its losses in the previous years, the profits of the current year shall be used to make up the loss before the withdrawal of the statutory common reserve fund in accordance with the above provisions. After making allocation to the statutory provident fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at the general meeting, also allocate funds from the after-tax profits to the discretionary provident fund. The residual after-tax profits after a company has made up its losses and accrued reserve can be distributed by the company in proportion to the shares held by its shareholders, except as otherwise provided for in the company's articles of association. The company shall not distribute any profits in respect of the shares held by it.

In accordance with the EIT Law and its implementation rules, a uniform enterprise income tax rate of 25% is imposed on all resident enterprises in China, including foreign invested enterprises; a non-PRC resident enterprise is generally subject to enterprise income tax at a rate of 10% on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-PRC resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular on Issues relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》), which was issued by the SAT on November 6, 2008, further clarifies that a PRC resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends distributed to overseas non-PRC resident enterprise shareholders of H Shares in 2008 and any subsequent year. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-PRC Resident Enterprise from Holding Stock such as B Shares (《國家税務總局關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》), which was issued by the SAT on July 24, 2009, further provides that any PRC resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends distributed to overseas non-PRC resident enterprise shareholders of H Shares in 2008 and any subsequent year. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or area, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), which was signed on August 21, 2006, the PRC regulatory authorities may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》第五議定書), which came into effect on December 6, 2019, added a criterion for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, after taking into account all relevant facts and conditions, are reasonably deemed to be obtaining such benefits, except when the grant of such benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the statutory requirements of PRC tax law documents, such as the Notice of the SAT on the Issues Concerning the Enforcement of the Dividend Clauses of Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》).

Non-PRC resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Hong Kong, Macau, and a number of countries and regions including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC resident companies.

The PRC currently has entered into avoidance of double taxation treaties or arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States and etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the relevant PRC tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the relevant PRC tax authorities.

Tax on Gains from Share Transfer

Individual Investors

Under the IIT Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and the SAT and became effective on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax.

Although the IIT Law and its implementation rules have not stated whether it will continue exempting individual income tax on income of individuals from transfer of listed shares, the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (the “Notice”) promulgated jointly by the MOF, the SAT and the CSRC on December 31, 2009 and implemented on the same day, the Notice of State Taxation Administration of the PRC on Issues Relating to Levying and Payment of Individual Income Tax on Income from Transfer of Moratorium Shares (《國家稅務總局關於限售股轉讓所得個人所得稅徵繳有關問題的通知》) promulgated by the SAT of the PRC on January 18, 2010 and effective from January 18, 2010 and the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) promulgated by the MOF, the SAT and CSRC on November 10, 2010 and effective from November 10, 2010, states that individuals' income from transfer of listed shares on certain domestic stock exchanges shall continue being exempting from individual income tax, except for the shares subject to sales restriction. As at the date of this document, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. In practice, the PRC tax authorities have not collected income tax from non-PRC resident individuals on gains from the sale of shares of the PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

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**”) and its implementation rules, where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay 10% enterprise income tax on the portion of its income sourced from inside China, including gains derived from the disposal of shares in a PRC resident enterprise. The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Income tax

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the SAT on March 20, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The SAT has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended Individual Income Tax Law.

On December 31, 2009, the Ministry of Finance, the SAT and China Securities Regulatory Commission jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), which came into effect on December 31, 2009, which states that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued and implemented by such departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

In accordance with the EIT Laws, a non-PRC resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-PRC resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated by the SCNPC on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty is applicable to the entities and individuals that conclude taxable vouchers or conduct securities trading within the territory of the PRC, and the entities and individuals outside the territory of the PRC that conclude taxable vouchers that are used inside China. Therefore, the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this prospectus, no estate duty has been levied in the PRC under the PRC laws.

Shanghai-Hong Kong Stock Connect Taxation Policy and Shenzhen-Hong Kong Stock Connect Taxation Policy

On October 31, 2014 and November 5, 2016, the Ministry of Finance, the SAT and the CSRC jointly issued the Circular on the Relevant Taxation Policy regarding the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) and the Circular on the Relevant Taxation Policy regarding the Pilot Inter-connected Mechanism for Trading on the Shenzhen Stock Market and the Hong Kong Stock Market (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), pursuant to which, the income from transfer differences and dividend and bonus income derived by PRC enterprise investors from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to enterprise income tax in accordance with the law. In particular, the dividend and bonus income derived by PRC resident enterprises which hold H shares for at least 12 consecutive months shall be exempted from enterprise income tax according to law. The H-share companies do not need to withhold tax on the income from dividends and bonus obtained by PRC enterprise investors. The tax payable shall be declared and paid by the enterprises themselves.

For dividends and bonuses received by PRC individual investors investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, H-share companies shall submit an application to China Securities Depository and Clearing Corporation Limited (the "**CSDC**"), which shall provide H-share companies with a register of PRC individual investors. H-share companies shall withhold individual income tax at a rate of 20%. Individual investors who have paid withholding tax outside the PRC may apply for tax credits at the competent tax authorities of the CSDC with valid tax deduction certificates. Individual income tax is levied on dividend and bonus income derived by PRC security investment funds from investing in stocks listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect in accordance with the above provisions.

Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated by the MOF, the SAT and the CSRC on December 4, 2019 and effective on December 5, 2019, the Announcement on Extension of the Individual Income Tax Policy With Respect to Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Exchange Connectivity Mechanisms as well as Mutual Recognition of Funds between the Chinese Mainland and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated and implemented on August 21, 2023, and the Announcement on Continued Implementation of Relevant Preferential Individual Income Tax Policies (《關於延續實施有關個人所得稅優惠政策的公告》) promulgated and effective on January 16, 2023, the income of Chinese mainland individual investors, obtained as price difference of transferring, from investing in stocks listed on the Stock Exchange through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, as well as from trading shares of Hong Kong funds through the Mutual Recognition of Funds, may be temporarily exempt from individual income tax from December 5, 2019 to December 31, 2027.

PRINCIPAL TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law, which was promulgated by the SCNPC and was latest amended on December 29, 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council and was latest amended in April 2019, collectively referred to as the Enterprise Income Tax Law, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Preferential Tax Policy for the High and New Tech Enterprises

Enterprises that are recognized as high and new technology enterprises in accordance with the Administrative Measures for the Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》) issued by the MOF and the SAT are entitled to enjoy a preferential enterprise income tax rate of 15%, under which the validity period of the high and new technology enterprise qualification shall be three years from the date of issuance of the certificate. An enterprise can re-apply for such recognition as a high and new technology enterprise before or after the previous certificate expires.

Enterprises are categorized into resident enterprises and non-resident enterprises. Where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China, but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay enterprise income tax on the portion of its income sourced from inside China. The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Meanwhile, any gains realized on the transfer of shares by such investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the PRC.

Value-added Tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council and was latest amended on November 19, 2017, and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the MOF and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging, within the territory of the PRC, in the sale of goods, supply of labor services in processing, repairing and maintenance (hereinafter referred to as "labor services"), sale of services, intangible assets and immovable properties, and importation of goods are taxpayers of VAT and shall be subject to VAT. VAT rate is set at 17% for the sale of goods, supply of labor services, leasing services of tangible movable property and importation of goods, unless otherwise specified in the aforesaid regulations. On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which will become effective on January 1, 2026 and the above interim regulations will be abolished.

According to the Circular of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) effective in May 2018, the value-added tax rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019 and effective from April 1, 2019, the value-added tax rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The State Administration of Foreign Exchange (the "**SAFE**"), with the authorization of the People's Bank of China (the "**PBOC**"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations on Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Control Regulations**"), which was implemented on April 1, 1996 and latest amended on August 5, 2008, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administration agencies, while capital items are subject to the approval of foreign exchange administration agencies, and pursuant to the latest amendment to the Foreign Exchange Control Regulations, the PRC will not impose any restriction on international current payments and transfers.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was implemented on July 1, 1996, abolished all other restrictions on convertibility of foreign exchange under current account items, while retaining the existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to relevant PRC laws, PRC enterprises (including foreign-invested enterprises) which need foreign exchange for transactions relating to current account items may, without the approval of SAFE, effect payment for their foreign exchange accounts at the designated foreign exchange banks with the support of valid receipts and proof. Foreign-invested enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as the Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting approving the distribution of profits, effect payment from their foreign exchange accounts or convert and pay dividends at the designated foreign exchange banks.

According to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on October 23, 2014, it canceled the approval requirement by the SAFE and its branches for the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by the SAFE and came into effect on June 1, 2015 and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment via the banks.

The Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》) (the "**SAFE Circular No. 21**"), which was effect from May 13, 2013, amended on October 10, 2018 and partially abolished on December 30, 2019, specifies that the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the SAFE Circular on Further Promoting Cross-border Trade and Investment Facilitation (《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 promulgated on October 23, 2019, foreign-invested enterprises engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to law on the condition that the current Special Administrative Measures for Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《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》) issued by the SAFE on June 9, 2016 and recently amended with immediate effect on December 4, 2023, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

This Appendix summarizes certain aspects of PRC laws and regulations which are relevant to our Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III — Taxation and Foreign Exchange" to this document. This Appendix also contains a summary of laws and regulatory provisions of the PRC Company Law. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all the information which is important to the potential investors. For a discussion of laws and regulations which are relevant to our Company's business, see "Regulatory Overview" in this document.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (the "**Constitution**"), and is made up of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, special administrative region law and international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the People's Republic of China (《中華人民共和國立法法》) (the "**Legislation Law**"), which was amended by the NPC on March 13, 2023 and became effective on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and revise basic laws governing criminal offenses, civil matters, state institutions and other matters. The SCNPC is empowered to formulate and revise laws other than the ones to be formulated by the NPC, and when the NPC is not in session, shall supplement and revise the laws formulated by the NPC, on the premise that the supplementation and revision are not in contradiction to the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations in accordance with the Constitution and the law. The people's congresses and their committees of the provinces, autonomous regions and municipalities directly under the Central Government may, based on the specific conditions and actual needs of their respective administrative regions, formulate local regulations, provided that such regulations do not contravene the Constitution, laws or administrative regulations. The people's congresses and their standing committees of the cities divided into districts may, based on their specific local conditions and actual needs, formulate local regulations on matters such as urban-rural development and management, promotion of ecological conservation, historic and cultural preservation, and community-level governance provided that they do not contravene the Constitution, laws, administrative regulations, or the local regulations of their respective provinces or autonomous regions. Where a law otherwise provides for a matter for which cities divided into districts may formulate local regulations, the provisions of the said law shall prevail. Before coming into effect, local regulations made by the cities divided into districts shall be submitted to and approved by the standing committees of the people's congresses of their corresponding provinces or autonomous regions.

The standing committees of the people's congresses of the provinces or autonomous regions shall review the legality of the local regulations submitted for approval, and shall approve them within four months if these regulations are found in no contravention of the Constitution, laws, administrative regulations, or the local regulations of their respective provinces or autonomous regions. The people's congresses of ethnic autonomous areas have the power to formulate autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the local ethnic group(s). The ministries and commissions under the State Council, the People's Bank of China, the National Audit Office, authorities directly under the State Council with administrative management functions, as well as the bodies prescribed by law, may formulate rules within the scope of their respective authorities in accordance with laws and the State Council's administrative regulations, decisions, and orders.

The Constitution has the highest authority. No laws, administrative regulations, local regulations, autonomous regulations, separate regulations, or rules may contravene the Constitution. Laws are superior to administrative regulations, local regulations, and rules. Administrative regulations are superior to local regulations and rules. Rules formulated by the people's governments of the provinces or autonomous regions are superior to rules formulated by the people's governments of cities divided into districts and autonomous prefectures within the administrative regions of the provinces or autonomous regions.

The NPC has the authority to alter or annul any inappropriate law formulated by the SCNPC, and to annul any autonomous regulation or separate regulation approved by the SCNPC that contravenes the Constitution or the provisions of the second paragraph of Article 85 of this Law; the SCNPC has the authority to annul any administrative regulation that contravenes the Constitution or laws, to annul any local regulation that contravenes the Constitution, laws or administrative regulations, and to annul any autonomous regulation or separate regulation approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government that contravenes the Constitution or the provisions of the second paragraph of Article 85 of this Law; the State Council has the authority to modify or annul any inappropriate departmental rule and local government rule; the people's congress of a province, an autonomous region or a municipality directly under the Central Government has the authority to modify or annul any inappropriate local regulation formulated or approved by its standing committee; the standing committee of a local people's congress has the authority to annul any inappropriate rule formulated by the people's government at the same level; the people's government of a province or an autonomous region has the authority to modify or annul any inappropriate rule formulated by people's governments at the next lower level.

According to the Constitution and the Legislation Law, the power of legal interpretation belongs to the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the SCNPC and effective on June 10, 1981, the Supreme People's Court shall give interpretation on questions involving the specific application of laws and decrees in court trials. The Supreme People's Procuratorate shall interpret all issues involving the specific application of laws and decrees in the procuratorial work. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be provided by the State Council and competent authorities.

Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people's governments of provinces, autonomous regions and municipalities.

PRC JUDICIAL SYSTEM

According to the Constitution and Organic Law of People's Courts of the PRC (《中華人民共和國人民法院組織法》) revised by the SCNPC on October 26, 2018 and becoming effective on January 1, 2019, the PRC People's Court is made up of the Supreme People's Court, local people's courts, and other special people's courts. Local people's courts at various levels are divided into high people's courts, intermediate people's courts and primary people's courts. Primary people's courts may establish dispatched people's tribunals according to their local situations, population size and caseloads. The Supreme People's Court is the highest adjudicatory organ. The Supreme People's Court shall oversee the adjudicatory work of local people's courts at all levels and of special people's courts; people's courts at higher levels shall oversee the adjudicatory work of those at lower levels.

According to the Constitution and Organic Law of People's Procuratorates of the PRC (《中華人民共和國人民檢察院組織法》) revised by the SCNPC on October 26, 2018 and becoming effect on January 1, 2019, the people's procuratorates are the state's legal oversight organs. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of local people's procuratorates at all levels and of special people's procuratorates; people's procuratorates at higher levels shall direct the work of those at lower levels.

The people's courts employ a two-tier appellate system, and judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or the people's courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the chief judge of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) adopted by the SCNPC on September 1, 2023 and effective on January 1, 2024 sets forth the requirements for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by express agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's place of domicile, the place where the contract is performed or signed, or the object of the action is located. However, the choice of the court cannot be in conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization must have the same procedural rights and obligations as citizens, legal persons and other organizations of the PRC. If the courts of a foreign country impose restrictions on the civil procedural rights of citizens, legal persons and other organizations of the PRC, the people's courts of the PRC shall implement the principle of reciprocity in respect of the civil procedural rights of citizens, enterprises and organizations of that foreign country. A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organization must engage a PRC lawyer if such person needs to engage a lawyer in initiating or defending any proceedings at a people's court. Pursuant to international treaties concluded or acceded to by the PRC or in accordance with the principle of reciprocity, people's courts and foreign courts may request mutual assistance in the service of legal documents, investigation, collection of evidence, and other acts in connection with litigation, on each other's behalf. If the request by a foreign court would result in the violation of the PRC's sovereignty, security or public interest of the PRC, the people's court shall refuse to comply with the request.

All parties must perform civil judgments and rulings that have become legally effective. Where a party refuses to perform a ruling or judgment, the other party may apply to the people's court for execution. The time limit applicable to applications to execute a judgment is two years. The provisions relating to the suspension or discontinuance of the litigation limitation period shall be applicable to the suspension or discontinuance of the limitation period for applications to execute a judgment.

When a party applies for execution of a legally effective judgment or ruling made by a people's court and the party subject to execution or his property is not located within the territory of the PRC, the applicant may directly apply for recognition and execution to the foreign court with jurisdiction. Having received an application or a request for recognition and execution of a legally effective judgment or ruling of a foreign court, a people's court shall review such judgment or ruling pursuant to international treaties concluded or acceded to by the PRC or in accordance with the principle of reciprocity. If, upon such review, the people's court considers that such judgment or ruling neither violates the basic legal principles of the laws of the PRC nor harms national sovereignty, security, and the social public interest, it shall rule to recognize its effectiveness.

THE COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in the PRC seeking a listing on The Stock Exchange of Hong Kong Limited is mainly subject to the following laws and regulations of the PRC.

The PRC Company Law (《中華人民共和國公司法》) was adopted by the Fifth Session of the Standing Committee of the Eighth NPC on December 29, 1993 and came into effect on July 1, 1994, and was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The latest revised Company Law came into effect on July 1, 2024.

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》) and 5 supporting guidelines promulgated by the CSRC on February 17, 2023 came into effect on March 31, 2023 and were applicable to the direct and indirect overseas share subscription and listing of domestic companies. According to the Overseas Listing Trial Measures and its interpretative guidelines, where a domestic company directly offering and listing overseas, it shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**"), in place of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas which ceased to apply from March 31, 2023. The Guidelines for Articles of Association were promulgated by the CSRC on December 16, 1997 and last amended on March 28, 2025.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

General Provisions

"A joint stock limited company" means a corporate legal person incorporated under the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares held by them and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

The promoters shall convene an inaugural meeting of the company within 30 days after the share capital has been paid-up and shall notify all subscribers the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only in the presence of promoters and subscribers holding more than 50% of the total number of shares. Powers to be exercised at the inaugural meeting include but not limited to the adoption of articles of association and the election of members of the board of directors. The aforesaid matters shall be resolved by more than 50% of the votes to be cast by subscribers present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

Registered Shares

Under the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or with intellectual property rights, land use rights, shareholding or claims.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

Under the Company Law, a joint stock limited company is required to maintain a register of shareholders, detailing the following information: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of shares if issued in paper form; and (iv) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholders' meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders, if any. If no par value stock is issued, the proceeds from the issuance of the new stocks shall be included into the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the prospectus.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

(i) to prepare a balance sheet and a property list;

(ii) a company makes a resolution at shareholders' meeting to reduce its registered capital;

(iii) a company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital;

(iv) the creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice;

(v) when a company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the articles of association of a joint stock limited company.

Share Buy-Back

Under the Company Law, a company shall not purchase its own shares. Except for any following circumstance:

(i) reducing the registered capital;

(ii) merging with other company that holds the shares of the company;

(iii) using the shares for employee stock ownership plan or equity incentive schemes;

(iv) with respect to shareholders voting against any resolution adopted at the shareholders' meeting on the merger or division of our Company, the right to demand our Company to acquire the shares held by them;

(v) using the shares for the conversion of convertible corporate bonds issued by the listed company;

(vi) as required for maintenance of the corporate value and shareholders' rights and interests of a listed company.

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the general meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorization from the general meeting.

Following the purchase of a company's shares by a company in accordance with the above provisions, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the total numbers of share of our Company held by a company shall not exceed 10% of the total issued shares of a company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder should affect a transfer of his shares on securities established exchange according to the law or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of shareholders. No changes of registration in the share register provided in the foregoing requirement shall be affected during a period of 20 days prior to the convening of shareholder's general meeting or 5 days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of accompany are listed and traded on a securities exchange. The directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by its directors, supervisors and senior management shall not be transferred within one year from the date of a company's listing on a securities exchange, nor within six months after their resignation from their positions with a company.

If the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted period.

Shareholders

Under the Company Law, the rights of a shareholder of ordinary shares of a company include:

(i) to receive dividends and other forms of distributions in proportion to their shareholdings;

(ii) to attend or appoint a proxy to attend shareholders' meetings and to exercise voting rights;

(iii) to supervise and manage a company's business operations, and to present proposals or to raise inquiries;

(iv) to transfer shares in accordance with laws, administrative regulations and the provisions of the articles of association;

(v) to inspect and copy the company's articles of association, share register, minutes of shareholder's general meetings, resolutions of meetings of the board of directors, and financial and accounting reports and to make proposals or enquiries on the company's operations;

(vi) in the event of the winding-up or liquidation of a company, to participate in the distribution of remaining property of a company in proportion to the number of shares held;

(vii) other rights conferred by laws, administrative regulations and the articles of association.

The obligations of a shareholder of ordinary shares of a company include:

(i) to abide by laws, administrative regulations and the articles of association;

(ii) to pay subscription money according to the number of shares subscribed and the method of subscription;

(iii) not to withdraw its share capital unless prescribed otherwise in laws and administrative regulations;

(iv) not to abuse their shareholders' rights to damage the interests of a company or other shareholders; not to abuse the independent legal person status of a company and the limited liability of shareholders to damage the interests of the creditors of a company;

(v) other obligations to be assumed as stipulated by laws, administrative regulations and the articles of association.

Shareholders' Meetings

Under the Company Law, the shareholders' meeting of a joint stock limited company is made up of all shareholders. The shareholders' meeting is the organ of authority of a company, which exercises the following functions and powers:

(i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;

(ii) to examine and approve reports of the board of directors;

(iii) to examine and approve reports of the supervisory committee;

(iv) to examine and approve a company's profit distribution plans and loss recovery plans;

(v) to resolve on the increase or reduction of a company's registered capital;

(vi) to resolve on the issuance of corporate bonds;

(vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company;

(viii) to amend the company's articles of association;

(ix) other functions and powers specified in provision of the articles of association.

Under the Company Law, annual shareholders' meetings are required to be held once every year. An extraordinary shareholders' meeting is required to be held within two months after the occurrence of any of the following circumstances:

(i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the articles of association;

(ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital;

(iii) shareholders individually or jointly holding 10% or more of the company's shares request;

(iv) when deemed necessary by the board of directors;

(v) the Supervisory Committee proposes to convene the meeting;

(vi) other circumstances as stipulated in the articles of association.

Shareholders' meetings shall be convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

If the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the supervisory committee should convene and preside over shareholders' meeting in a timely manner. If the supervisory committee fails to convene and preside over shareholders' meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over shareholders' meeting.

If the shareholders who separately or aggregately hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the board of directors and the supervisory committee should, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

Notice of general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the general meeting of shareholders. The convener shall issue a supplementary notice of the general meeting of shareholders within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders' meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Under the Company Law, shareholders present at a shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting in accordance with the provisions of the articles of association or the resolutions of the shareholders' meeting. Under the accumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the shareholders' meeting, and shareholders may consolidate their voting rights when casting a vote.

Under the Company Law, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the shareholders' meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Directors

Under the Company Law, a joint stock limited company should have a board of directors, which consists of more than three members. The term of office of a director shall be stipulated in the articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be noticed 10 days before the meeting for every meeting. The Board exercises the following functions and powers:

(i) to convene shareholder's general meetings and report its work to the shareholder's general meetings;

(ii) to implement the resolutions of the shareholder's general meeting;

(iii) to decide on a company's business plans and investment plans;

(iv) to formulate a company's profit distribution plan and loss recovery plan;

(v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds;

(vi) to formulate plans for cake, division, dissolution or change of corporate form of a company;

(vii) to decide on the internal management structure of a company;

(viii) to decide on the appointment or dismissal of the manager of a company and their remuneration;

(ix) to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration;

(x) to formulate a company's basic management system;

(xi) other functions and powers specified in the articles of association or granted by the shareholders' meeting.

Board meetings shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he may appoint another director by a power of attorney specifying the scope of the authorization for another director to attend the meeting on his behalf. If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Under the Company Law, a person may not serve as a director of a company if he/she is:

(i) a person without capacity or with restricted capacity;

(ii) a person who has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period;

(iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

(iv) persons who were legal representatives of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who were personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and

(v) being listed as one of "dishonest persons subject to enforcement" by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall have one chairman, who shall be elected by more than half of all the directors. The chairman shall exercise the following functions and powers (including but not limited to):

(i) to preside over shareholders' meetings and convene and preside over board meetings;

(ii) to supervise, promote and oversee the implementation of resolutions of the board of directors;

(iii) to exercise other powers conferred by the Board.

Supervisors

Under the Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the supervisory committee, in place of a supervisory committee or supervisors. Otherwise, a joint stock limited company shall have a supervisory committee consisting of three or more members. The members of the supervisors committee shall include representatives of shareholders and at an appropriate percentage, representatives of employees of the corporation, and the percentage of representatives of employees shall not be less than one-third, with the specific percentage prescribed in the company bylaws. The representatives of employees on the supervisors committee are democratically elected by the employees of the corporation through the assembly of representatives of employees or assembly of employees or otherwise. No director or senior management may concurrently hold the post of supervisor.

According to Relevant Arrangements for the Transitional Period for Implementing the Supporting Systems and Rules for the New Company Law, issued by CSRC on December 27, 2024, a listed company shall, by January 1, 2026, provide in its articles of association that the audit committee will be set up under its board of directors to exercise the functions and powers of the supervisory committee stipulated in the Company Law, without establishment of the supervisory committee or supervisors in accordance with the Company Law, the Implementing Provisions and the supporting systems and rules etc. promulgated by the CSRC. Before adjusting the establishment of its internal supervision bodies by a listed company, the supervisory committee or supervisors of the listed company shall continue to comply with the provisions of the CSRC on the supervisory committee or supervisors.

The supervisory committee exercises the following powers:

(i) to examine the company's financial affairs;

(ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or resolutions of shareholders' meetings;

(iii) to demand rectification by a director or senior management when the acts of such persons are harmful to the company's interest;

(iv) to propose the convening of extraordinary general meetings, and to convene and preside over shareholders' meetings when the Board fails to perform the duty of convening and presiding over shareholders' meetings under the Company Law;

(v) to submit proposals to the shareholders' meeting;

(vi) to initiate legal proceedings against directors and senior management in accordance with the Company Law;

(vii) other functions and powers specified in the articles of association.

Managers and Senior Management

Under the Company Law, a company should have a manager who is appointed or removed by the board of directors. The manager is responsible to the board of directors and exercise his/her functions and powers according to the Articles of Association or the authorization of the board of directors. The manager attends the meetings of the board of directors as a non-voting member.

According to the Company Law, senior management shall refer to the manager, deputy manager(s), financial controller, secretary of the board of directors and other personnel as stipulated in the articles of association of the company.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

Directors, supervisors and senior management are prohibited from:

(i) to embezzle any property or misappropriate any funds of the company;

(ii) to deposit any funds of the company in an account opened in his or her own name or in the name of any other individual;

(iii) to commit bribery or accept any other illegal revenue by taking advantage of his or her powers;

(iv) to accept and pocket commissions on transactions between others and the company;

(v) to illegally disclose any confidential information of the company; and

(vi) otherwise violate the duty of loyalty to the company.

A director, supervisor or senior management of a company who directly or indirectly enters into a contract or conducts a transaction with the company shall report to the board of directors or the shareholders' meeting on the matters related to the contracting or transaction, and a resolution of the board of directors or the shareholders' meeting regarding the matters shall be adopted in accordance with the company bylaws.

Where a close relative of a director, supervisor or senior management of a company, an enterprise directly or indirectly controlled by a director, supervisor, or senior management of a company or a close relative of him or her, or an affiliate that is otherwise affiliated to a director, supervisor, or senior management of a company enters into a contract or conducts a transaction with the company, the provision of the preceding paragraph applies.

Neither director or senior management may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances:

(i) The director, supervisor, or senior management reports it to the board of directors or the shareholders' meeting, and in accordance with the company bylaws, an affirmative resolution of the board of directors or the shareholders' meeting regarding it is adopted; or

(ii) The company is unable to use the business opportunity, in accordance with a law, an administrative regulation, or the company bylaws.

Where any director or senior management fails to report to the board of directors or the shareholders' meeting and obtain an approval by resolution of the board of directors or the shareholders' meeting according to the articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the Company Law, a company shall establish its financial affairs and accounting system in accordance with laws, administrative regulations, and the provisions issued by the finance department of the State Council. A company shall, at the end of each fiscal year, prepare a financial accounting report, which shall be audited by an accounting firm in accordance with the law. The financial accounting report shall be prepared in accordance with laws, administrative regulations, and the provisions issued by the finance department of the State Council.

The financial accounting report of a joint stock limited company shall be placed at the corporation for consultation by the shareholders 20 days before the annual shareholders' meeting is held; and a joint stock limited company offering shares to the public shall announce its financial accounting report.

Where a company distributes its after-tax profits of the current year, it shall set aside 10% of the profits as funds of the statutory reserve of the company. The company may discontinue setting aside funds of the statutory reserve if the cumulative amount of the statutory reserve is 50% or more of the registered capital of the company. Where the statutory reserve of a company is not sufficient to cover loss from the previous years of the company, the profits of the current year shall be used for covering loss before the funds of the statutory reserve are set aside under the preceding paragraph. After setting aside funds of the statutory reserve from its after-tax profits, a company may, upon resolution of the shareholders' meeting, set aside funds of a discretionary reserve from its after-tax profits.

The remaining after-tax profits after loss is covered and reserve funds are set aside may be distributed by a corporation in proportion to the shares held by the shareholders, except as otherwise prescribed in the company bylaws.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

The reserve fund of the company shall be used to make up losses of the company, expand the production and operation of the company or increase the capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounts other than those provided by law.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal by a company of an accounting firm undertaking the audit of the company shall be decided by the shareholders' meeting, board of directors, or supervisors committee in accordance with the provisions of the company bylaws. When the shareholders' meeting, board of directors, or supervisors committee votes on the dismissal of the accounting firm, the accounting firm shall be allowed to present its opinions. A company shall provide the accounting firm engaged with truthful and complete accounting vouchers, account books, financial accounting reports, and other accounting materials, and may not decline provision, conceal any materials, or provide any false materials.

Profit Distribution

Where a company distributes profits to the shareholders in violation of this Law, the shareholders shall return the profits so distributed to the company; and if any loss is thus caused to the company, the shareholders and liable directors, supervisors, and senior executives shall pay damages.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

(i) the business duration prescribed in the company bylaws expires or any other cause of dissolution prescribed in the company bylaws occurs;

(ii) the shareholders' meeting adopts a resolution to dissolve the company;

(iii) the combination or division of the company requires dissolution of the company;

(iv) the company forfeits its business license, is ordered to close down, or is abolished in accordance with the law;

(v) where the operational management of a company encounters any difficulty that is so serious that the continuous existence of the company will cause any major loss to the interests of the shareholders, which cannot be solved by other means, a shareholder or shareholders holding ten percent or more of the voting rights of the company may petition a people's court for dissolution of the company.

Where any of the causes of dissolution of a company set out in the preceding paragraph occurs, the company shall, within ten days, publish the cause of dissolution through the National Enterprise Credit Information Publicity System.

Where any of the circumstances in subparagraphs (1) and (2) of paragraph 1 of the preceding article occurs to a company, and the company has not distributed property to the shareholders, the company may continue to exist by amending the company bylaws or by a resolution of the shareholders' meeting. The amendment of the company bylaws or a resolution of the shareholders' meeting under the preceding paragraph must be adopted by two-thirds or more of the voting rights of the shareholders present at a shareholders' meeting in the case of a corporation.

Where a company is dissolved under subparagraph (1), (2), (4), or (5) above, the company shall be liquidated. The directors of the company as the liquidation obligors shall, within 15 days of occurrence of the cause of dissolution, form a liquidation group to conduct liquidation. The liquidation group are composed of the directors, except as otherwise prescribed in the company bylaws or unless any other person is appointed to the liquidation group by a resolution of the shareholders' meeting. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing any loss to the company or any creditor, the liquidation obligors are liable in damages.

The liquidation group fails to be formed within the prescribed time limit or liquidation is not conducted after the formation of a liquidation group, an interested person may petition a people's court to designate the relevant persons to form a liquidation group to conduct liquidation. The people's court shall accept the petition, and organize the liquidation by the liquidation group in a timely manner.

The liquidation group exercises the following powers during liquidation:

(i) identifying the property of the company and preparing respectively a balance sheet and a list of property;

(ii) notifying creditors and issuing an announcement;

(iii) handling the unfinished business of the company related to liquidation;

(iv) identifying and paying the taxes owed and the taxes arising in the process of liquidation;

(v) identifying and disposing of claims and debts.

(vi) distributing the remaining property of the company after paying off debts;

(vii) participating in civil litigations on behalf of the company.

The liquidation group shall, within ten days of its formation, notify the creditors, and within 60 days of its formation, issue a public announcement in a newspaper or the National Enterprise Credit Information Publicity System. The creditors shall, within thirty days of receipt of the notice or within 45 days of issuance of the announcement if they fail to receive the notice, declare their claims to the liquidation group.

After the liquidation expenses, wages of employees, social insurance expenses, and statutory indemnities are paid, the taxes owed are paid, and the debts of the company are repaid, the residual property of the company may be distributed in proportion to the capital contributions of the shareholders in the case of a limited liability company or in proportion to the shares held by the shareholders in the case of a corporation.

During liquidation, the company continues to exist, but may not conduct any operation irrelevant to liquidation. The property of the company may not be distributed to the shareholder before the payment and repayment under the preceding paragraph.

Where the liquidation group discovers that the property of the company is insufficient for paying off debts after identifying the property of the company and preparing a balance sheet and a list of property, the liquidation group shall, in accordance with the law, petition a people's court for bankruptcy liquidation. After the people's court accepts the petition for bankruptcy, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After completion of liquidation of a company, the liquidation group shall prepare a liquidation report, submit the report to the shareholders' meeting or the people's court for confirmation, submit the confirmed report to the company registration authority, and apply for cancellation of company registration.

The members of a liquidation group shall, in performing their liquidation duties, have the duty of loyalty and duty of diligence. Where the members of the liquidation group are slow to perform their liquidation duties, causing any loss to the company, they are liable in damages. Where the members of the liquidation group cause any loss to the creditors intentionally or with gross negligence, they are liable in damages.

Where a company fails to apply to the company registration authority for cancellation of company registration three years after its forfeiture of business license, ordered closedown, or abolition, the company registration authority may issue an announcement through the National Enterprise Credit Information Publicity System, and the period of announcement shall not be less than 60 days. If there is no objection raised upon expiry of the period of announcement, the company registration authority may cancel the registration of the company.

Overseas Listing

According to the Overseas Listing Trial Measures, initial public offerings or listings in overseas markets shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas. Subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within 3 working days after the offering is completed. Subsequent securities offerings and listings of an issuer in other overseas markets than where it has offered and listed shall be filed pursuant to provisions in the first paragraph of this Article. Moreover, where the filing documents are complete and in compliance with stipulated requirements, the CSRC will, within 20 working days after receiving the filing documents, conclude the filing procedure and publish the filing results on the CSRC website. Where the filing documents are incomplete or do not conform to stipulated requirements, the CSRC shall request courtesy translation supplementation and amendment thereto within 5 working days after receiving the filing documents. The issuer should then complete supplementation and amendment within 30 working days.

Loss of Share Certificates

A shareholder whose stock certificate is stolen, lost, or destroyed may request a people's court to declare invalidation of the stock certificate under the procedure for announcement to urge declaration of claims prescribed in the Civil Procedural Law. After the people's court declares invalidation of the stock certificate, the shareholder may apply to the corporation for reissuance of a stock certificate.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "**PRC Securities Law**"), which was amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Overseas Listing Trial Measures, in case of voluntary or mandatory delisting, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event.

SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by Chinese companies in the Chinese Mainland or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. In April 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on April 22, 1993 provide the application and approval procedures for public offerings of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which were promulgated by the State Council and came into effect on December 25, 1995, mainly provide for the issue, subscription, trading and payment of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

The PRC Securities Law provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The PRC Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Under the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "**Arbitration Law**"), amended by the SCNPC on September 1, 2017 and effective on January 1, 2018, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the PRC Civil Procedure Law. Where both parties have agreed to settle disputes by means of arbitration, the people's court will refuse to take legal action brought by a party in the people's court.

Under the Arbitration Law, an arbitral award is final and binding on the parties. The parties shall perform the arbitration award. If a party fails to perform the arbitration award, the other party may apply to the people's court for enforcement in accordance with the relevant provisions of the Civil Procedure Law. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee or the making of an award on matters beyond the scope of the arbitration agreement or the jurisdiction of the arbitration commission). If a party applies for enforcement of a legally effective arbitration award made by a foreign-related arbitration commission and if the party against whom the enforcement is sought or such party's property is not within the territory of the People's Republic of China, he shall directly apply to a competent foreign court for recognition and enforcement of the award.

On January 18, 2019, the Supreme People's Court and Hong Kong Special Administrative Government signed the 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 "**Arrangement**"), which came into effect on January 29, 2024 and seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the Chinese Mainland. The Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. After the Arrangement became effective, a judgment rendered by a Hong Kong court can generally be recognized and enforced in the Chinese Mainland even if the parties in the dispute do not enter into a choice of court agreement in writing. However, we cannot guarantee that all judgments made by Hong Kong courts will be recognized and enforced in the Chinese Mainland, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court in accordance with the Arrangement.

This Appendix contains a summary of the principal provisions of the Articles of Association adopted by the Company in the Shareholders' meeting, which will become effective on the date on which the H Shares are listed on the Hong Kong Stock Exchange. The main purpose of this Appendix is to provide potential investors with an overview of the Articles of Association of the Company, and therefore it may not contain all the information that is important for potential investors.

GENERAL PROVISIONS

The shareholders are liable for the Company to the extent of their subscribed shares, while the Company is liable for its debts to the extent of its entire assets.

The Articles of Association shall, from its effective date, constitute a legally binding document regulating the Company's organization and conduct as well as the rights and obligations between the Company and each shareholder and among the shareholders inter se, and shall be legally binding on the Company, its shareholders, directors and senior management personnel. Pursuant to the Articles of Association, shareholders may institute legal proceedings against shareholders, against directors and senior management personnel of the Company, and against the Company, while the Company may institute legal proceedings against shareholders, directors and senior management personnel.

PURPOSE AND SCOPE OF BUSINESS

The Company's business purpose is to become a world-leading supplier and provider of big data and artificial intelligence infrastructure software.

The Company's business scope, as registered by law, is "general business activities: Import and export of goods; import and export of technology; technical services, technical development, technical consulting, technical exchange, technology transfer, and technology promotion; retail sales of computer software, hardware, and auxiliary equipment; software development; computer system services; network technology services; leasing of computer and communication equipment. (Except for projects that require approval in accordance with the law, the company may independently conduct business activities in accordance with the law based on its business licence.)"

SHARES

Issuance of Shares

The Company's shares are in the form of registered stock. The issuance of the Company's shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights. Shares of the same class issued at the same time have the same issuance conditions and price; subscribers subscribing to the shares pay the same amount per share.

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws and regulations, and upon resolutions passed by the Shareholders' meeting:

(i) Issuing shares to non-specific objects;

(ii) Issuing shares to specific objects;

(iii) Allotting bonus shares to existing shareholders;

(iv) Converting capital reserve into share capital;

(v) Other methods approved by laws, administrative regulations, the CSRC, the relevant securities regulatory authorities of the Company's stock listing place.

The Company may reduce its registered capital. The reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated by the PRC Company Law, and other relevant regulations and the Articles of Association.

Repurchase of Shares

The company shall not repurchase its own shares, except under any of the following circumstances:

(i) To reduce the Company's registered capital;

(ii) To merge with another company holding the Company's shares;

(iii) To use the shares for employee stock ownership plans or equity incentives;

(iv) To repurchase shares from shareholders who object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(v) To use the shares for converting corporate bonds issued by the Company into shares;

(vi) As necessary to safeguard the Company's value and the rights and interests of shareholders.

The Company may repurchase its own shares through public centralized trading, tender offer, or other methods recognized by laws, regulations, the CSRC and the stock exchange and the securities regulatory authorities of the Company's stock listing place.

Where the Company repurchases its shares under the circumstances set out in items (i) and (ii) above, a resolution shall be passed at the Shareholder's meeting of the Company. Where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) above, on the premise of complying with the securities regulatory rules of the place where the shares of the Company are listed, a resolution shall be passed at a Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the authorization of the Shareholder's meeting.

On the premise of complying with the securities regulatory rules of the place where the shares of the Company are listed, where the Company repurchases its shares under the circumstances set out in item (i) above, such shares shall be cancelled within 10 days from the date of repurchase; where the Company repurchases its shares under the circumstances set out in items (ii) and (iv) above, such shares shall be transferred or cancelled within 6 months; where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) above, 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 or cancelled within 3 years.

After the Company repurchases its own shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law, and the securities regulatory provisions of the place where the Company's shares are listed. The repurchase of its shares by the Company under the circumstances set out in items (iii), (v) and (vi) above shall be conducted through public centralized trading.

Transfer of Shares

The Company's shares shall be transferred in accordance with laws, regulations, the Articles of Association, and the regulations of the securities regulatory authorities and stock exchanges of the Company's stock listing place. All transfers of H shares shall be effected by written transfer documents in a general or standard format or any other format acceptable to the Board of Directors (including the standard transfer format or transfer form prescribed from time to time by the Hong Kong Stock Exchange); such transfer documents may only be executed by handwritten signature or by affixing the company's valid seal (if the transferor or transferee is a company). If the transferor or transferee is a recognised clearing house (as defined by the relevant regulations in force from time to time under Hong Kong law) or its agent, the transfer document may be signed in handwritten or machine-printed form. All transfer documents shall be kept at the company's registered office or at any other address designated from time to time by the board of directors.

A shares issued before the Company's listing of A Shares on the STAR Market shall not be transferred within one year from the date the Company's A Shares are listed and traded on the STAR Market.

Directors and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During their term of office, they shall not transfer more than 25% of the total number of shares of the same category they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company's shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

Shareholders, Directors, and senior management members who hold more than 5% of the Company's shares shall not sell the Company's shares or other equity securities they hold within six months after purchase, or purchase the Company's shares or other equity securities within six months after sale. Any profits obtained from such transactions shall belong to the Company, and the Company's Board of Directors shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company's shares due to the purchase of remaining shares after underwriting, or other circumstances stipulated by the CSRC and the securities regulatory authorities of the Company's stock listing place. The shares or other equity securities held by Directors, senior management members, and natural person shareholders as mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held in other people's accounts.

If the Company's Board of Directors fails to execute the provisions of the previous paragraph of this article, shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with the people's court in the name of the Company for the benefit of the Company. If the Board of Directors fails to execute the provisions of the previous paragraph of this article, the responsible Directors shall bear joint and several liability according to law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

General Provisions on Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration institution. The register of shareholders is conclusive evidence of shareholders' ownership of the Company's shares. The original copy of the H share register of shareholders listed in Hong Kong shall be kept in Hong Kong for shareholders' inspection. In the event of any inconsistency between the original and duplicate copies of the H share shareholder register, the original shall prevail. However, the Company may suspend the processing of shareholder registration procedures in accordance with applicable laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, and provisions equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Shareholders shall enjoy rights and assume obligations in accordance with the class of shares they hold. Shareholders holding shares of the same class shall enjoy equal rights and assume the same obligations.

Any shareholder who is registered in the H-share shareholder register or any person who requests to have their name or title registered in the H-share shareholder register may apply to the company for the issuance of new shares to replace lost shares. H-share shareholders who apply for the issuance of new shares due to lost shares may do so in accordance with the laws of the place where the original H-share shareholder register is kept, the rules of the securities exchange, or other relevant regulations.

Shareholders of the Company shall enjoy the following rights:

(i) To receive dividends and other forms of profit distribution in proportion to the numbers of shares they hold;

(ii) To request to convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders' meeting and exercise corresponding voting rights, unless required by the Hong Kong Listing Rules to abstain from voting on specific matters;

(iii) To supervise the Company's operations and make suggestions or inquiries;

(iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(v) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' meetings, resolutions of the Board of Directors, financial reports, and the accounting books and vouchers of the Company if they meet the requirements;

(vi) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;

(vii) To request the Company to repurchase their shares if they object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(viii) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Shareholders requesting to inspect and copy the Company's relevant materials shall comply with the provisions of the PRC Company Law, the Securities Law, and other laws and administrative regulations.

Shareholders of the Company shall bear the following obligations:

(i) To comply with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(ii) To pay the share price according to the shares they subscribe for and the method of subscription;

(iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;

(iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;

(v) Other obligations stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders who abuse their rights and cause losses to the Company or other shareholders shall bear compensation liability according to law. Shareholders who abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously damage the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

Controlling Shareholders and Actual Controllers

The Company's controlling shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the CSRC, the securities regulatory rules where the Company's shares are listed, and shall safeguard the interests of the listed company.

The Company's controlling shareholders and actual controllers shall comply with the following provisions:

(i) To exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;

(ii) To strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;

(iii) To strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;

(iv) Not to occupy the Company's funds in any way;

(v) Not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

(vi) Not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;

(vii) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;

(viii) To ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way;

(ix) Other provisions stipulated by laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and the Articles of Association.

If the Company's controlling shareholders or actual controllers do not serve as Directors of the Company but actually execute the Company's affairs, the provisions of the Articles of Association on Directors' duties of loyalty and diligence shall apply.

If the Company's controlling shareholders or actual controllers instruct Directors or senior management members to engage in activities that damage the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior management members.

General Provisions on Shareholders' Meeting

The Shareholders' meeting of the Company shall comprise all the shareholders. The Shareholders' meeting acts as the Company's organ of authority and shall exercise the following powers according to law:

(i) To elect and replace Directors who are not employee representatives, and decide on matters related to Directors' remuneration;

(ii) To examine and approve the Board of Directors' report;

(iii) To examine and approve the Company's profit distribution plan and loss recovery plan;

(iv) To make resolutions on the Company's increase or decrease of registered capital;

(v) To make resolutions on the issuance of corporate bonds;

(vi) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;

(vii) To amend the Articles of Association;

(viii) To make resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit business;

(ix) To examine and approve the external guarantee matters stipulated in Article 48 of the Articles of Association;

(x) To examine and approve matters related to the Company's purchase or sale of major assets where the total asset value or transaction amount exceeds 30% of the Company's total assets as audited in the latest interim period;

(xi) To examine and approve changes in the use of raised funds;

(xii) To examine and approve equity incentive schemes and employee stock ownership plans;

(xiii) To examine and approve other matters that should be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, provisions stipulated by the securities regulatory authorities of the Company's stock listing place, or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The external guarantee behaviors of the Company must be reviewed and approved by the Board of Directors. The following external guarantee behaviors of the Company must be reviewed and approved by the Shareholders' meeting after being reviewed and approved by the Board of Directors:

(i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's net assets as of the audited financial statements in the latest interim period;

(ii) Any guarantee provided after the total external guarantees of the Company exceed 30% of the Company's total assets as of the latest audited financial statements;

(iii) Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;

(iv) Any guarantee provided within one year to others with a guarantee amount exceeding 30% of the Company's total assets as of the latest audited financial statements;

(v) Any single guarantee with an amount exceeding 10% of the Company's net assets as of the latest audited financial statements;

(vi) Any guarantee provided to shareholders, actual controllers, and their related parties;

(vii) Other guarantee circumstances stipulated by laws, administrative regulations, departmental rules, provisions stipulated by the securities regulatory authorities of the Company's stock listing place, or the Articles of Association.

When the Shareholders' meeting reviews the guarantee matters stipulated in item (iv) of the previous article, it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting. When the Shareholders' meeting reviews any guarantee provided to shareholders, actual controllers, and their related parties, the shareholders or the shareholders controlled by the actual controller shall not participate in the voting, and the voting must be approved by more than half of the voting rights held by other shareholders present at the meeting.

The Shareholders' meeting is divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall hold an extraordinary Shareholders' meeting within two months from the date of occurrence:

(i) When the number of Directors is less than the minimum number stipulated by the PRC Company Law or two-thirds of the number stipulated by the Articles of Association;

(ii) When the Company's unrecovered losses reach one-third of the total share capital;

(iii) When shareholders who individually or jointly hold more than 10% of the Company's shares request it;

(iv) When the Board of Directors deems it necessary;

(v) When the Audit Committee proposes to convene;

(vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, provisions stipulated by the securities regulatory authorities of the Company's stock listing place, or the Articles of Association.

Convening of Shareholders' Meeting

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of more than half of all independent Directors, independent Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution; if the Board of Directors does not agree to convene an extraordinary Shareholders' meeting, it shall explain the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company's total share capital have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and add a proposal to the agenda of the Shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company's total share capital have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the Shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the Shareholders' meeting, and shareholders holding more than 10% of the Company's total share capital separately or jointly for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or shareholders who individually or jointly hold more than 10% of the Company's total share capital decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing and file with the relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required). Before the announcement of the Shareholders' meeting resolution, the total shareholding ratio of the convening shareholders shall not be less than 10% of the total share capital. The Audit Committee or convening shareholders shall submit relevant proof materials to relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required) when issuing the notice of the Shareholders' meeting and the announcement of the Shareholders' meeting resolution.

For Shareholders' meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Proposals and Notices of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the rules stipulated by the securities regulatory authorities of the Company's stock listing place, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding more than 1% of the Company's total share capital separately or jointly have the right to submit proposals to the Company.

Shareholders holding more than 1% of the Company's total share capital separately or jointly may submit temporary proposals in writing to the convener 10 days before the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the Shareholders' meeting's authority, shall be excluded.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the Shareholders' meeting or add new proposals after issuing the notice of the Shareholders' meeting.

Proposals not listed in the notice of the Shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders' meeting.

The convener shall notify all shareholders 21 days before the annual Shareholders' meeting and 15 days before the extraordinary Shareholders' meeting.

The notice of the Shareholders' meeting shall include the following content:

(i) The time, place, and duration of the meeting;

(ii) The matters and proposals to be reviewed at the meeting;

(iii) A clear statement that all shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;

(iv) The record date for shareholders entitled to attend the Shareholders' meeting;

(v) The name and telephone number of the standing contact person for the meeting;

(vi) The time and procedure for voting by network or other means;

Convening of the Shareholders' Meeting

All shareholders registered on the record date or their proxies are entitled to attend the Shareholders' meeting, speak and vote in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association (unless individual shareholders are required to waive their voting rights on specific matters in accordance with the aforementioned rules).

Shareholders may attend Shareholders' Meetings in person or appoint a proxy to attend and vote on their behalf. If a shareholder is a recognised clearing house (or its agent), that shareholder may authorise its corporate representative or one or more persons it deems appropriate to act as its proxy at any shareholders' meeting.

Individual shareholders attending the meeting in person shall present their ID cards or other valid identification documents; if appointing a proxy to attend the meeting, they shall present their valid ID cards and a power of attorney for the shareholder. Corporate shareholders shall be represented by the legal representative or a proxy authorized by the legal representative. The legal representative attending the meeting shall present their ID card and valid proof of their legal representative status; the proxy attending the meeting shall present their ID card and a written power of attorney issued by the legal representative of the corporate shareholder.

The power of attorney for appointing a proxy to attend the Shareholders' meeting shall specify the following content:

(i) The name or title of the principal and the category and quantity of shares held;

(ii) The name or title of the proxy;

(iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' meeting;

(iv) The date of issuance and validity period of the power of attorney;

(v) The signature (or seal) of the principal. If the principal is a corporate shareholder or a partnership shareholder, the corporate seal or the partnership seal shall be affixed.

If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting. If the shareholder is a recognised clearing house (or its agent), the shareholder may authorise one or more persons whom it deems appropriate to act as its representative at any shareholders' meeting or creditors' meeting; however, if more than one person is authorised, the authorisation letter shall specify the number and class of shares covered by the authorisation for each such person, and the authorisation letter shall be signed by an authorised representative of the recognised clearing house. Persons authorised in this manner may exercise rights on behalf of the recognised clearing house (or its agent) without the need to present shareholding certificates, notarised authorisations, and/or further evidence to prove their formal authorisation, and shall enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if such persons were individual shareholders of the company.

If the Shareholders' meeting requires Directors and senior management members to attend the meeting, the Directors and senior management members shall attend and accept shareholders' inquiries.

The Shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his duties, a Director elected by more than half of the Directors shall preside. The Shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or unwilling to perform his duties, an Audit Committee member elected by more than half of the Audit Committee members shall preside. The Shareholders' meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener. If the meeting chairperson violates the rules of procedure during the Shareholders' meeting, making it impossible to continue the meeting, the Shareholders' meeting may elect a person to act as the meeting chairperson with the consent of more than half of the voting rights held by the shareholders present at the meeting, and continue the meeting.

Voting and Resolutions of the Shareholders' Meeting

Resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including shareholder proxies) present at the meeting. A special resolution of the Shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including shareholder proxies) present at the meeting.

The following matters shall be passed by the Shareholders' meeting as ordinary resolutions:

(i) The work report of the Board of Directors;

(ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;

(iii) The appointment and dismissal of board members and their remuneration and payment methods;

(iv) Other matters except those that, as stipulated by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by the Shareholders' meeting as special resolutions:

(i) The increase or decrease of the Company's registered capital;

(ii) The division, split, merger, dissolution, and liquidation of the Company;

(iii) Amendments to the Articles of Association;

(iv) The Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;

(v) Share incentive plans;

(vi) Other matters stipulated by laws, administrative regulations, securities regulatory rules of the Company's stock listing place or the Articles of Association, as well as matters that the Shareholders' meeting deems to have a significant impact on the Company and require a special resolution.

Shareholders shall exercise their voting rights based on the number of voting shares they represent, with each share having one vote. Subject to applicable laws and regulations, shareholders (including shareholder proxies) with two or more votes may cast all of their votes in favour or against a resolution.

The Company's own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders' meeting.

When the Shareholders' meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

If a shareholder purchases the Company's voting shares in violation of the provisions of Article 63, Paragraphs 1 and 2 of the PRC Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and shall not be counted in the total number of voting shares present at the Shareholders' meeting.

In accordance with relevant laws, regulations, and securities regulatory rules where the company's shares are listed, if any shareholder is required to abstain from voting on a relevant proposal, or if any shareholder is restricted to voting only in favour of or against a designated proposal, then any votes cast by such shareholder or its representative in violation of the aforementioned provisions or restrictions shall not be counted in the voting results.

The Company's Board of Directors, independent Directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

When the Shareholders' meeting reviews related party transactions, related shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes; the announcement of the Shareholders' meeting resolution shall fully disclose the voting situation of non-related shareholders.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

The Directors of the Company may include executive Directors, non-executive Directors and independent Directors. Directors of the Company shall be individuals. A person with any of the following circumstances shall not serve as a Director of the Company:

(i) Having no capacity for civil conduct or limited capacity for civil conduct;

(ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;

(iii) Having served as a director, factory director, or manager of a company or enterprise undergoing insolvency liquidation and being personally liable for the insolvency of such company or enterprise, and less than 3 years have elapsed since the completion of the insolvency liquidation of such company or enterprise;

(iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of such company or enterprise;

(v) Having a large-amount debt due but unpaid and being listed as a person subject to enforcement for bad credit by the people's court;

(vi) Having been subject to measures restricting access to the securities market by the CSRC and the time limit has not expired;

(vii) Having been subject to publicly recognized by the stock exchange as unsuitable to serve as a director, senior management, and so forth of a listed company for an unexpired period of time;

(viii) Other circumstances stipulated by laws, administrative regulations, and departmental rules.

Elections or appointments of Directors that violate the provisions of this section shall be invalid. If a Director becomes subject to any of the circumstances listed in this section during their tenure, the Company shall terminate their position.

Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by an ordinary resolution of the Shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office.

A Director may also hold the position of senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representatives, shall not exceed half of the total number of Directors of the Company.

A Director may resign before the expiration of their term. A Director's resignation shall take effect on the date the Company receives the written resignation report, and the Company shall disclose the relevant information as soon as practicable (no later than 2 trading days). If the resignation of a Director results in the number of board members falling below the statutory minimum, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office.

Board of Directors

The Board of Directors shall exercise the following powers and duties:

(i) Convening the Shareholders' meeting and reporting to the Shareholders' meeting;

(ii) Implementing the resolutions of the Shareholders' meeting;

(iii) Deciding on the Company's business plans and investment proposals;

(iv) Formulating the Company's profit distribution plans and loss recovery plans;

(v) Formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or proposals on other securities and listing;

(vi) Drafting plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;

(vii) Deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions, and external donations, within the scope authorized by the Shareholders' meeting;

(viii) Deciding on the establishment of the Company's internal management structure;

(ix) Deciding on the appointment or dismissal of the chief executive officer, secretary of the Board, and other senior management members, and determining their remuneration and reward or punishment; based on the chief executive officer's nomination, deciding on the appointment or dismissal of the vice presidents, chief financial officer, and other senior management members, and determining their remuneration and reward or punishment;

(x) Formulating the Company's basic management systems;

(xi) Drafting amendments to the Articles of Association;

(xii) Managing the Company's information disclosure matters;

(xiii) Proposing to the Shareholders' meeting the appointment or replacement of the accounting firm auditing the Company;

(xiv) Listening to the work reports of the chief executive officer and reviewing the chief executive officer's work;

(xv) Other powers and duties granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the Shareholders' meeting.

The Board of Directors shall determine the authority for the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected party transactions, and external donations, and establish strict review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the Shareholders' meeting for approval.

The Board of Directors shall have one chairman. The chairman shall be elected by a majority vote of all Directors and shall serve a term of three years, with eligibility for reelection.

The chairman shall exercise the following powers and duties:

(i) Presiding over the Shareholders' meeting and convening and presiding over board meetings;

(ii) Supervising and inspecting the implementation of board resolutions;

(iii) Other powers and duties granted by the Board of Directors.

The Board of Directors shall hold at least four meetings each year, convened by the chairman, with written notice provided to all Directors at least 14 days before the meeting. Shareholders representing more than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 10 days of receiving such a proposal.

Extraordinary board meetings shall be convened in writing, with notice provided to all Directors at least five days before the meeting. With the unanimous consent of all Directors of the Company, the notice period for convening an extraordinary board meeting may be shortened or waived.

A board meeting shall require the attendance of more than half of the Directors to be valid. Resolutions of the Board of Directors shall require the approval of more than half of all Directors. Each Director shall have one vote in board resolutions.

If a Director has a relationship with the enterprise or individual involved in a board resolution, the Director shall promptly report in writing to the Board of Directors. The Director with such a relationship shall not vote on the resolution or act as a proxy for another Director to vote. The board meeting may proceed with the attendance of more than half of the non-related Directors, and resolutions shall require the approval of more than half of the non-related Directors. If the number of non-related Directors attending the board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for review.

Board meetings shall be attended by Directors in person. If a Director is unable to attend, they may appoint another Director in writing to attend on their behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing Director. The proxy shall exercise the Director's rights within the scope of authority. If a Director does not attend the board meeting and does not appoint a proxy to attend, they shall be deemed to have waived their voting rights at that meeting. Independent Directors shall not delegate their voting rights to non-independent directors.

Independent Directors

Independent Directors shall diligently perform their duties in accordance with laws, administrative regulations, the CSRC, the securities regulatory rules of the place where Company's shares are listed, and the Articles of Association. They shall play a role in decision-making, supervision, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

The proportion of independent Directors among the members of the Board of Directors shall not be less than one-third, and shall comply with the requirements of the securities regulatory rules of the place where the Company's shares are listed.

Independent Directors must maintain independence. The following persons shall not serve as independent Directors:

(i) Persons employed by the Company or its affiliated enterprises, as well as their spouses, parents, children, and close relatives;

(ii) Natural persons who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;

(iii) Persons employed by shareholders who directly or indirectly hold more than 5% of the Company's issued shares or are among the top five shareholders of the Company, as well as their spouses, parents, and children;

(iv) Persons employed by affiliated enterprises of the Company's controlling shareholders or actual controllers, as well as their spouses, parents, and children;

(v) Persons who have significant business dealings with the Company, its controlling shareholders, actual controllers, or their respective subsidiaries, or who are employed by entities that have significant business dealings with the Company, and their controlling shareholders or actual controllers;

(vi) Persons who provide financial, legal, consulting, or underwriting services to the Company, its controlling shareholders, actual controllers, or their respective subsidiaries, including but not limited to project team members, reviewers, signatories, partners, Directors, senior management members, and principal responsible persons of intermediary institutions providing such services;

(vii) Persons who have had any of the above-mentioned circumstances within the past 12 months;

(viii) Other persons deemed not independent under laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, or the Articles of Association.

Independent Directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent Directors and issue a special opinion, which shall be disclosed together with the annual report.

The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all the independent Directors:

(i) Connected party transactions that require disclosure;

(ii) Proposals for the Company and related parties to change or waive commitments;

(iii) Decisions and measures taken by the Board of Directors of an acquired listed company in response to the acquisition;

(iv) Other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Company shall establish a special meeting mechanism composed entirely of independent Directors. Matters such as related party transactions to be reviewed by the Board of Directors shall first be approved by the special meeting of independent Directors. The Company holds special meetings of independent Directors regularly or irregularly. Matters listed in items (i) to (iii) of paragraph 1 of Article 123 and Article 124 of the Articles of Association shall be reviewed by the special meeting of independent Directors. The special meeting of independent Directors may discuss other matters of the Company as needed.

Special Committees under the Board

The Company's Board of Directors shall establish an Audit Committee, which shall exercise the powers and duties of the Board of Supervisors as stipulated in the PRC Company Law.

The Audit Committee shall comprise more than three members, all of whom must be non-executive directors, of whom the majority must be independent directors, at least one of whom must be an independent director with appropriate professional qualifications or appropriate accounting or related financial management expertise, with the chairperson (convener) being an independent Director with accounting expertise.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

(i) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;

(ii) Appointment or dismissal of the accounting firm auditing the listed company;

(iii) Appointment or dismissal of the Company's chief financial officer;

(iv) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;

(v) Other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Audit Committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the chairperson deems it necessary. A meeting of the Audit Committee shall require the attendance of at least two-thirds of its members to be valid. Resolutions of the Audit Committee shall require the approval of more than half of its members. Each member shall have one vote in Audit Committee resolutions. Minutes of Audit Committee meetings shall be prepared, and attending members shall sign the minutes. The working procedures of the Audit Committee shall be formulated by the Board of Directors.

The Board of Directors shall establish other special committees, such as the Strategic Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Independent directors should constitute a majority of the Nomination Committee and the Remuneration and Appraisal Committee and serve as conveners. Proposals of these committees shall be submitted to the Board of Directors for review and decision. The working procedures of these special committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT MEMBERS

The Company shall have a general manager, also known as the chief executive officer, who shall be appointed or dismissed by the Board of Directors. The company shall appoint several vice presidents, who shall be hired or dismissed by the Board of Directors. The chief executive officer, vice presidents, chief financial officer, and secretary of the Board shall constitute the senior management of the Company.

The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a Director and the regulations on departure management shall also apply to senior management. The provisions of the Articles of Association regarding the fiduciary duties and diligence obligations of Directors shall also apply to senior management.

The chief executive officer shall be accountable to the Board of Directors and shall exercise the following powers and duties:

(i) Presiding over the Company's production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;

(ii) Implementing the Company's annual business plans and investment proposals;

(iii) Drafting proposals for the establishment of the Company's internal management structure;

(iv) Drafting the Company's basic management systems;

(v) Formulating the Company's specific regulations;

(vi) Proposing to the Board of Directors the appointment or dismissal of the vice presidents, chief financial officer and other senior management;

(vii) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors;

(viii) Other powers and duties granted by the Articles of Association or the Board of Directors.

The chief executive officer shall attend meetings of the Board of Directors.

FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the provisions of relevant national authorities.

Within four months after the end of each fiscal year, the Company shall submit and disclose its annual report to the local office of the CSRC and the stock exchange where the Company's shares are listed. Within two months after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local office of the CSRC and the stock exchange where the Company's shares are listed. The Company shall submit and disclose its quarterly report in accordance with the regulations of the stock exchange where the Company's shares are listed.

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's assets shall not be stored in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations. If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year's profits to cover the losses before allocating the statutory reserve fund as stipulated above. After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the Shareholders' meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the Articles of Association. If the Shareholders' meeting violates the PRC Company Law by distributing profits to shareholders, the shareholders must return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders and the responsible Directors and senior management shall bear the liability for compensation. The Company's own shares held by the Company shall not participate in the distribution of profits.

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operation, or convert into additional capital. When using reserve funds to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented after approval by the Board of Directors and shall be disclosed to the public.

Engagement of Accounting Firms

The Company shall engage an accounting firm that complies with the PRC Securities Law to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

The appointment or dismissal of an accounting firm shall be decided by the Shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

The audit fees of the accounting firm shall be decided by the Shareholders' meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions. If the accounting firm resigns, it shall explain to the Shareholders' meeting whether there are any improper circumstances in the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

The Company's merger can be in the form of an absorption merger or a consolidation merger. When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Shanghai Stock Exchange website (**www.sse.com.cn**), Hong Kong Stock Exchange Disclosure website (**www.hkexnews.hk**) or other qualified medias within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees. When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly. When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Shanghai Stock Exchange website (**www.sse.com.cn**), Hong Kong Stock Exchange Disclosure website (**www.hkexnews.hk**) or other qualified medias within 30 days. The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the Shareholders' meeting resolution on the capital reduction and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Shanghai Stock Exchange website (**www.sse.com.cn**), Hong Kong Stock Exchange Disclosure website (**www.hkexnews.hk**) or other qualified medias within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

Where the Company increases its registered capital through the issuance of new shares, the shareholders shall not have any preemptive subscription right, unless otherwise provided in the Articles of Association or resolved by the Shareholders' meeting.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the Company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law. When the Company increases or reduces its registered capital, it shall apply for a change of registration with the Company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) The business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;

(ii) The Shareholders' meeting resolves to dissolve the Company;

(iii) The Company needs to be dissolved due to a merger or division;

(iv) The Company is legally revoked its business license, ordered to close, or revoked;

(v) The Company's operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found. Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within 10 days.

If the Company has the circumstances mentioned in items (i) and (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution of the Shareholders' meeting. To amend the Articles of Association or pass a resolution of the Shareholders' meeting in accordance with the preceding paragraph, it must be approved by more than two-thirds of the voting rights held by shareholders present at the Shareholders' meeting.

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors, unless otherwise stipulated in the Articles of Association or the Shareholders' meeting resolves to appoint others. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

During the liquidation period, the liquidation group shall exercise the following powers and duties:

(i) Cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets;

(ii) Notifying and announcing to creditors;

(iii) Handling the Company's unfinished business related to the liquidation;

(iv) Paying off the taxes owed and the taxes incurred during the liquidation process;

(v) Cleaning up claims and debts;

(vi) Distributing the remaining assets after the Company's debts are settled;

(vii) Representing the Company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement in the CSRC Designated Media or on the National Enterprise Credit Information Publicity System, Shanghai Stock Exchange website (**www.sse.com.cn**), Hong Kong Stock Exchange Disclosure website (**www.hkexnews.hk**) or other qualified medias within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims. During the claim declaration period, the liquidation group shall not settle claims with creditors.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. After paying off the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company's debts, the remaining assets shall be distributed to shareholders according to the proportion of shares held. During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company's assets are insufficient to settle its debts, it shall apply to the people's court for insolvency liquidation in accordance with the law. After the people's court accepts the insolvency application, the liquidation group shall transfer the liquidation affairs to the insolvency administrator designated by the people's court.

After the Company's liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and submit it to the Company registration authority to apply for cancellation of the Company's registration.

If the Company is legally declared bankrupt, it shall implement insolvency liquidation in accordance with the relevant enterprise insolvency laws.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under the following circumstances:

(i) After the following amendments to the Company Law or relevant laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, the provisions of the Articles of Association herein conflict with the amended laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed;

(ii) The Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;

(iii) The Shareholders' meeting resolves to amend the Articles of Association.

Where any amendment to the Articles of Association resolved by the Shareholders' meeting is subject to approval by the competent authority, such amendments shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the Shareholders' Meeting and the approval opinions of the relevant competent authorities (if any).

Where any amendment to the Articles of Association involves information required by law or regulations to be disclosed, such information shall be publicly announced in accordance with provisions.

A. FURTHER INFORMATION ABOUT THE COMPANY

1. Incorporation of Our Company

Our Company was established as a limited liability company under the laws of the PRC on June 5, 2013 and was converted into a joint stock company with limited liability on December 15, 2020. Our Company completed the listing of our A Shares on the STAR Market (stock code: 688031) on October 18, 2022. Our registered office and principal place of business is located at 11/F, Tower B & 3/F, Yuehong Plaza, No. 88 Hongcao Road, Xuhui District, Shanghai, China.

Our Company has established a place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong, and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on August 25, 2025. Mr. POON Kin Hei has been appointed as the authorized representative of our Company for acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our 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. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in "Regulatory Overview" and Appendix V to this prospectus.

2. Changes in the Share Capital of the Company

On April 28, 2025, the registered capital of our Company increased from RMB120,842,068 to RMB121,129,516 for the purpose of vesting of 287,448 Shares under the 2023 Share Incentive Scheme.

On September 19, 2025, the registered capital of our Company increased from RMB121,129,516 to RMB121,135,916 for the purpose of vesting of 6,400 Shares under the 2023 Share Incentive Scheme.

Save as disclosed above and in "— 4. Resolutions Passed by Our Shareholders' General Meeting in Relation to the Global Offering," there has been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report set out in Appendix I to this prospectus.

On January 6, 2025, Transwarp Zhongzhi (Xi'an) Information Technology Co., Ltd. (星環眾志(西安)信息科技有限公司) was established under the laws of the PRC with a registered capital of RMB3,000,000.

On December 30, 2025, Transwarp Malaysia Sdn. Bhd. was incorporated under the laws of Malaysia with total issued share capital of Malaysian Ringgit (MYR) 1,000 divided into 1,000 ordinary shares of MYR1.00 each.

Save as disclosed above, there has been no alteration in the share capitals of subsidiaries of our Company during the two years immediately preceding the date of this prospectus.

4. Resolutions Passed by Our Shareholders' General Meeting in Relation to the Global Offering

At the Shareholders' meeting held on August 4, 2025, the following resolutions, among other things, were duly passed:

(i) the issue by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be listed on the Stock Exchange;

(ii) the number of H shares to be issued shall be no more than 25% of the total issued share capital upon completion of the Global Offering;

(iii) authorization of the Board and its authorized person to handle all matters relating to, among other things, the Global Offering, the issue and listing of H Shares on the Stock Exchange; and

(iv) 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.

5. Restrictions on Share Repurchase

For details of the restrictions on share repurchases by our Company, see "Appendix V — Summary of the Articles of Association — Shares — Repurchase of Shares" in this prospectus.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

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:

(a) the cornerstone investment agreement dated September 9, 2026 entered into among the Company, Electronic Channel Limited, Haitong International Capital Limited, Haitong International Securities Company Limited and Shenwan Hongyuan Securities (H.K.) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of HK$35,000,000;

(b) the cornerstone investment agreement dated September 9, 2026 entered into among the Company, Luoyang Science Technology Innovate Group, Ltd. (洛陽科創集團有限公司), Haitong International Capital Limited and Haitong International Securities Company Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$4,950,000; and

(c) the Hong Kong Underwriting Agreement.

2. Intellectual Property

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material to the business of our Group:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1. . . .	TRANSWARP	9	Our Company	PRC	13143220	January 6, 2035
2. . . .	TRANSWARP	35	Our Company	PRC	13143341	December 27, 2034
3. . . .	TRANSWARP	42	Our Company	PRC	13143410	December 27, 2034
4. . . .	TRANSWARP DATA HUB	9	Our Company	PRC	14179089	April 20, 2035
5. . . .	TRANSWARP DATA HUB	42	Our Company	PRC	14179216	April 20, 2035
6. . . .	TRANSWARP 星环科技	35	Our Company	PRC	16293435	May 13, 2036
7. . . .	TRANSWARP 星环科技	38	Our Company	PRC	16293434	March 27, 2036
8. . . .	TRANSWARP 星环科技	42	Our Company	PRC	16293433	March 27, 2036

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
9. . . .	TRANSWARP STUDIO	9	Our Company	PRC	23427656	April 6, 2028
10. . .	TRANSWARP STUDIO	42	Our Company	PRC	23417141	March 27, 2028
11. . .	TRANSWARP DATA CLOUD	9	Our Company	PRC	23432801	March 20, 2028
12. . .	TRANSWARP DATA CLOUD	42	Our Company	PRC	23419400	March 20, 2028
13. . .	TRANSWARP 星 环 科 技	9	Our Company	PRC	29156450	August 6, 2030
14. . .	TRANSWARP 星環科技	9, 42	Our Company	Hong Kong	306288805	July 5, 2033
15. . .	TRANSWARP 星 環 科 技	9, 42	Our Company	Hong Kong	306940873	June 23, 2035
16. . .	Transwarp Sophon	9	Our Company	PRC	29281123	December 27, 2028
17. . .	Transwarp Sophon	42	Our Company	PRC	29289394	December 27, 2028
18. . .	Transwarp ArgoDB	9	Our Company	PRC	29991861	February 6, 2029
19. . .	Transwarp ArgoDB	42	Our Company	PRC	29991891	February 6, 2029
20. . .	星环	9	Our Company	PRC	32983340	March 20, 2032
21. . .	星环	42	Our Company	PRC	32983334	March 6, 2031
22. . .	星环科技	9	Our Company	PRC	32989825	June 27, 2031
23. . .	星环科技	42	Our Company	PRC	32984892	March 20, 2030
24. . .	TRANSWARP KUNDB	9	Our Company	PRC	33055228	May 20, 2029
25. . .	TRANSWARP KUNDB	42	Our Company	PRC	33055222	June 6, 2029
26. . .	TRANSWARP ARGODB	9	Our Company	PRC	33499185	June 20, 2029
27. . .	TRANSWARP ARGODB	42	Our Company	PRC	33490480	June 20, 2029
28. . .	TRANSWARP DISCOVER	42	Our Company	PRC	33513137	September 27, 2029
29. . .	TRANSWARP HYPERBASE	42	Our Company	PRC	33509586	June 20, 2029
30. . .	TRANSWARP INCEPTOR	9	Our Company	PRC	33513754	June 20, 2029
31. . .	TRANSWARP INCEPTOR	42	Our Company	PRC	33494252	June 20, 2029
32. . .	TRANSWARP KUNDB	9	Our Company	PRC	33492312	June 20, 2029
33. . .	TRANSWARP KUNDB	42	Our Company	PRC	33509595	June 20, 2029
34. . .	TRANSWARP SOPHON	9	Our Company	PRC	33497291	February 13, 2030

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
35. . .	TRANSWARP SOPHON	42	Our Company	PRC	33500911	February 13, 2030
36. . .	Transwarp Guardian	9	Our Company	PRC	33933374	July 6, 2029
37. . .	Transwarp Guardian	42	Our Company	PRC	33917739	July 6, 2029
38. . .	Transwarp Intelligas	9	Our Company	PRC	33933382	July 6, 2029
39. . .	Transwarp Intelligas	42	Our Company	PRC	33928083	July 27, 2029
40. . .	Transwarp Manager	9	Our Company	PRC	33912031	July 6, 2029
41. . .	Transwarp Manager	42	Our Company	PRC	33921376	July 27, 2029
42. . .	Transwarp Transporter	9	Our Company	PRC	33928975	July 6, 2029
43. . .	Transwarp Transporter	42	Our Company	PRC	33922393	July 27, 2029
44. . .	星环科技	35	Our Company	PRC	34541289	April 20, 2030
45. . .	星环科技	42	Our Company	PRC	34558309	April 20, 2030
46. . .	Transwarp Cloud	9	Our Company	PRC	36034529	October 13, 2029
47. . .	Transwarp Cloud	42	Our Company	PRC	36023749	October 13, 2029
48. . .	TRANSWARP CLOUD	9	Our Company	PRC	36029106	November 13, 2029
49. . .	TRANSWARP CLOUD	42	Our Company	PRC	36016346	November 27, 2029
50. . .	Transwarp ArgoDB	9	Our Company	PRC	36339331	October 20, 2029
51. . .	Transwarp ArgoDB	42	Our Company	PRC	36333251	October 20, 2029
52. . .	Transwarp Data Cloud	9	Our Company	PRC	36338004	October 27, 2029
53. . .	Transwarp Data Cloud	42	Our Company	PRC	36333243	October 20, 2029
54. . .	TRANSWARP DATA CLOUD	9	Our Company	PRC	36336506	March 6, 2030
55. . .	TRANSWARP DATA CLOUD	42	Our Company	PRC	36336384	November 6, 2030
56. . .	Transwarp Data Hub	9	Our Company	PRC	36341129	October 27, 2029
57. . .	TRANSWARP DATA HUB	9	Our Company	PRC	36338009	March 6, 2030
58. . .	TRANSWARP DATA HUB	42	Our Company	PRC	36337969	November 6, 2030
59. . .	Transwarp KunDB	9	Our Company	PRC	36333311	October 27, 2029
60. . .	Transwarp KunDB	42	Our Company	PRC	36339491	October 20, 2029
61. . .	Transwarp Sophon	9	Our Company	PRC	36333313	October 20, 2029
62. . .	Transwarp Sophon	42	Our Company	PRC	36337979	October 20, 2029
63. . .	Transwarp Studio	9	Our Company	PRC	36327298	October 20, 2029

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
64. . .	Transwarp Studio	42	Our Company	PRC	36333280	October 20, 2029
65. . .	TRANSWARP STUDIO	9	Our Company	PRC	36341149	March 13, 2030
66. . .	TRANSWARP STUDIO	42	Our Company	PRC	36337987	November 6, 2030
67. . .	TRANSWARP DATABASE	9	Our Company	PRC	37621251	December 13, 2029
68. . .	TRANSWARP DATABASE	42	Our Company	PRC	37625697	December 13, 2029
69. . .	Transwarp Database	9	Our Company	PRC	37629454	December 13, 2029
70. . .	Transwarp Database	42	Our Company	PRC	37609939	December 13, 2029
71. . .	ArgoDB	9	Our Company	PRC	39807028	March 13, 2030
72. . .	ArgoDB	42	Our Company	PRC	39807946	March 13, 2030
73. . .	TRANSWARP SOPHON P²C	9	Our Company	PRC	64358214	December 27, 2032
74. . .	TRANSWARP SOPHON P²C	42	Our Company	PRC	64345879	December 20, 2032
75. . .	Transwarp Sophon P²C	9	Our Company	PRC	64362714	November 6, 2032
76. . .	Transwarp Sophon P²C	42	Our Company	PRC	64366854	November 6, 2032
77. . .	星环无涯	9	Our Company	PRC	71797968	December 6, 2033
78. . .	星环无涯	35	Our Company	PRC	71809211	December 6, 2033
79. . .	星环无涯	42	Our Company	PRC	71800915	December 6, 2033
80. . .	星环无涯	36	Our Company	PRC	73291499	January 27, 2034
81. . .	无涯·问数	9	Our Company	PRC	77558852	September 13, 2034
82. . .	无涯·问数	35	Our Company	PRC	77535144	September 13, 2034
83. . .	无涯·问数	36	Our Company	PRC	77548759	September 13, 2034
84. . .	无涯·问数	42	Our Company	PRC	77565522	September 13, 2034
85. . .	无涯·问知	9	Our Company	PRC	77558911	September 13, 2034
86. . .	无涯·问知	35	Our Company	PRC	77536948	September 13, 2034
87. . .	无涯·问知	36	Our Company	PRC	77536959	September 13, 2034
88. . .	无涯·问知	42	Our Company	PRC	77558943	September 13, 2034
89. . .	无涯问知	9	Our Company	PRC	80583869	February 20, 2035
90. . .	TRANSWARP DATA STUDIO	9	Our Company	PRC	83252253	September 5, 2035
91. . .	TRANSWARP DATA STUDIO	42	Our Company	PRC	83237241	September 5, 2035

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to the business of our Group:

No.	Patent	Type	Patentee	Place of Registration	Patent Number	Registration Date
1. . . .	A query method, distributed system, device, and storage medium (一種查詢方法、分佈式系統、設備及存儲介質)	Invention	Our Company	PRC	2020111838662	August 24, 2021
2. . . .	A generation method of intermediate representation, computer device, and storage medium (一種中間表示的生成方法、計算機設備及存儲介質)	Invention	Our Company	PRC	202011217087X	August 27, 2021
3. . . .	A data access control method, device, storage medium, and database system (數據訪問控制方法、設備、存儲介質和數據庫系統)	Invention	Our Company	PRC	2020114000750	October 8, 2021
4. . . .	A data table association method, device, and storage medium (一種數據表關聯方法、設備以及存儲介質)	Invention	Our Company	PRC	2020116218539	August 25, 2023
5. . . .	A data processing method, apparatus, device, and storage medium (數據處理方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	2021104965530	August 1, 2023
6. . . .	A log management method, apparatus, device, and storage medium (日誌管理方法、裝置、設備及存儲介質)	Invention	Beijing Transwarp	PRC	2021109492073	July 12, 2022
7. . . .	A quantile acquisition method, device, and storage medium (一種分位數的獲取方法、設備及存儲介質)	Invention	Henan Transwarp	PRC	2021111534182	March 15, 2024
8. . . .	A data quality evaluation method, computer device, and storage medium (一種數據質量評估方法、計算機設備及存儲介質)	Invention	Henan Transwarp	PRC	2021111539665	January 10, 2025

No.	Patent	Type	Patentee	Place of Registration	Patent Number	Registration Date
9. . . .	A distributed transaction processing method, device, medium, and database system (分佈式事務處理方法、設備、介質和數據庫系統)	Invention	Henan Transwarp	PRC	2021112272740	November 15, 2022
10. . .	A partitioned hash join method, device, and storage medium (分區哈希連接方法、設備及存儲介質)	Invention	Henan Transwarp	PRC	2021112545998	May 16, 2025
11. . .	A data sorting method based on columnar storage, device, and storage medium (基於列式存儲的數據排序方法、設備及存儲介質)	Invention	Henan Transwarp	PRC	2021112952053	November 18, 2022
12. . .	A trajectory data processing method, device, and storage medium (一種軌跡數據的處理方法、設備及存儲介質)	Invention	Beijing Transwarp	PRC	202111361080X	May 30, 2025
13. . .	A federated learning system, method, apparatus, device, and storage medium (一種聯邦學習系統、方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	202210251368X	October 20, 2023
14. . .	A template image classification method, apparatus, device, storage medium, and product (一種模板圖片分類方法、裝置、設備、存儲介質及產品)	Invention	Our Company	PRC	2022105167797	September 1, 2023
15. . .	A transaction consistency management engine and method (一種事務一致性管理引擎及方法)	Invention	Our Company	PRC	2022111213133	October 17, 2023
16. . .	Business data value evaluation method, apparatus, electronic device, and storage medium (業務數據的價值評估方法、裝置、電子設備及存儲介質)	Invention	Our company and Henan Transwarp	PRC	2022111748449	December 5, 2023

No.	Patent	Type	Patentee	Place of Registration	Patent Number	Registration Date
17. . .	A transaction recovery method, apparatus, database node, and medium (一種事務恢復方法、裝置、數據庫節點及介質)	Invention	Our Company	PRC	2022112788814	August 15, 2023
18. . .	A stored procedure compilation method, system, electronic device, and storage medium (一種存儲過程編譯方法、系統、電子設備和存儲介質)	Invention	Our Company	PRC	2022115497609	August 22, 2023
19. . .	A data classification and grading method, apparatus, electronic device, and storage medium (一種數據分類分級方法、裝置、電子設備及存儲介質)	Invention	Our Company	PRC	2023109739639	May 24, 2024
20. . .	A management and scheduling system and method for heterogeneous acceleration cards based on K8s (一種基於K8s的異構加速卡的管理調度系統及方法)	Invention	Our Company	PRC	2023111821063	May 31, 2024
21. . .	A SQL generation method, apparatus, device, and medium based on background knowledge enhancement (基於背景知識增強的SQL生成方法、裝置、設備及介質)	Invention	Our Company	PRC	202311267512X	May 31, 2024
22. . .	A method, device, equipment and storage medium for managing LLM hallucinations (一種大模型幻覺治理方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	2023113767010	May 31, 2024
23. . .	A SQL statement generation method, apparatus, device, and storage medium (一種SQL語句生成方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	2023115775098	December 17, 2024

No.	Patent	Type	Patentee	Place of Registration	Patent Number	Registration Date
24. . .	A method for determining vector similarity and a method for searching vectors (一種向量相似度確定方法及向量搜索方法)	Invention	Our Company	PRC	2023116074466	May 14, 2024
25. . .	A solution plan generation method, apparatus, device, and storage medium (一種解決計劃生成方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	2023116090064	July 9, 2024
26. . .	A distributed database deadlock handling method, apparatus, device, and storage medium (一種分佈式數據庫死鎖處理方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	2024100085450	June 18, 2024
27. . .	A satellite fault diagnosis method, apparatus, device, and storage medium based on graph embedding (基於圖嵌入的衛星故障診斷方法、裝置、設備及存儲介質)	Invention	Our Company	PRC	2024100385756	July 2, 2024
28. . .	A SQL statement generation method, apparatus, device, and storage medium (一種SQL語句生成方法、裝置、設備及存儲介質)	Invention	Our Company and Nanjing Transwarp Intelligent	PRC	2024101386309	November 5, 2024
29. . .	A distributed database query system, method, device, and medium supporting multi-replica consistent reading (一種支持多副本一致性讀的分佈式數據庫查詢系統、方法、設備及介質)	Invention	Our Company	PRC	2024102836948	November 5, 2024
30. . .	A method, device, equipment and medium for improving NL2SQL system capabilities (一種NL2SQL系統能力提升方法、裝置、設備和介質)	Invention	Our Company	PRC	2024104322506	October 1, 2024

No.	Patent	Type	Patentee	Place of Registration	Patent Number	Registration Date
31. . .	A data query method, computer device, and storage medium (一種數據查詢方法、計算機設備和存儲介質)	Invention	Henan Transwarp	PRC	2021113566169	August 26, 2025
32. . .	A distributed database transaction processing system (一種分佈式數據庫事務處理系統)	Invention	Our Company	PRC	2018115939858	February 7, 2020
33. . .	A machine learning model training method, computer device, and storage medium (一種機器學習模型的訓練方法、計算機設備及存儲介質)	Invention	Chongqing Transwarp	PRC	2020115918577	February 2, 2024
34. . .	A large language model question answering optimization method, device, electronic device and storage medium (一種大語言模型問答優化方法、裝置、電子設備及存儲介質)	Invention	Our Company	PRC	2024101340682	October 29, 2024
35. . .	Distributed processing method, apparatus, computer device, and storage medium (分佈式處理方法、裝置、計算機設備及存儲介質)	Invention	Our Company	PRC	2018106909105	October 1, 2019
36. . .	A method, device, and storage medium for synchronizing files (一種文件同步方法、設備及存儲介質)	Invention	Beijing Transwarp	PRC	2021110789659	June 21, 2022

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be material to the business of our Group:

No.	Name	Registrant	Place of Registration	Registration Number	Registration Date
1. . . .	Transwarp Data Cloud Platform Software V3.0 (星環數據雲平台軟件V3.0)	Our Company	PRC	2022SR0592804	May 17, 2022
2. . . .	Transwarp Big Data Security Management Software V9.0 (星環大數據安全管理軟件V9.0)	Our Company	PRC	2022SR0696306	June 2, 2022
3. . . .	Transwarp Multi-model Data Platform Monitoring Software V9.0 (星環多模數據平台監控軟件V9.0)	Our Company	PRC	2022SR0747039	June 13, 2022
4. . . .	Transwarp Event Repository Software V9.0 (星環事件存儲庫軟件V9.0)	Our Company	PRC	2022SR0747124	June 13, 2022
5. . . .	Transwarp Big Data Management Software V9.0 (星環大數據管理軟件V9.0)	Our Company	PRC	2022SR0747125	June 13, 2022
6. . . .	Transwarp Key Value Database Software V9.0 (星環鍵值數據庫軟件V9.0)	Our Company	PRC	2022SR0747126	June 13, 2022
7. . . .	Transwarp Relational Analytics Engine Software V9.0 (星環關係型分析引擎軟件V9.0)	Our Company	PRC	2022SR0747127	June 13, 2022
8. . . .	Transwarp Distributed Search Engine Software V9.0 (星環分佈式搜索引擎軟件V9.0)	Our Company	PRC	2022SR0747128	June 13, 2022
9. . . .	Transwarp Big Data Foundation Platform Software V9.0 (星環大數據基礎平台軟件V9.0)	Our Company	PRC	2022SR0765374	June 16, 2022
10. . .	Transwarp Big Data Foundation Platform Express Edition Software V9.0 (星環大數據基礎平台快捷版軟件V9.0)	Our Company	PRC	2022SR0765375	June 16, 2022
11. . .	Transwarp Large Language Model Operation and Management Software V1.0 (星環大語言模型運營管理軟件V1.0)	Our Company	PRC	2023SR1046938	September 12, 2023
12. . .	Transwarp AI Knowledge Assistant Software V3.0 (星環AI知識助理軟件V3.0)	Our Company	PRC	2024SR0577572	April 28, 2024

No.	Name	Registrant	Place of Registration	Registration Number	Registration Date
13. . .	Transwarp Corpus Development Toolkit Software V1.0 (星環語料開發工具集軟件V1.0)	Our Company	PRC	2024SR1258433	August 28, 2024
14. . .	Transwarp Trusted Data Sandbox Software V3.1 (星環可信數據沙箱軟件V3.1)	Our Company	PRC	2024SR1582067	October 22, 2024
15. . .	Transwarp Data Trading Portal Software V3.1 (星環數據交易門戶軟件V3.1)	Our Company	PRC	2024SR1587134	October 23, 2024
16. . .	Transwarp SQL Lineage Parsing Software V1.0 (星環SQL血緣解析軟件V1.0)	Our Company	PRC	2024SR1665379	November 1, 2024
17. . .	Transwarp Distributed Online Transaction Database System V4.0 (星環分佈式在線交易數據庫系統V4.0)	Our Company	PRC	2024SR1951058	December 2, 2024
18. . .	Transwarp Intelligent Quantitative Investment Research Platform Software V3.0 (星環智能量化投研平台軟件V3.0)	Our Company	PRC	2025SR0059004	January 9, 2025
19. . .	Infinity – Wenshu – Data Analysis Assistant Software (Standard Edition) V1.0 (無涯 • 問數–數據分析助手軟件 (標準版)V1.0)	Our Company	PRC	2025SR0207746	February 6, 2025
20. . .	Transwarp Data Quality Management Software V4.0 (星環數據質量管理軟件V4.0)	Our Company	PRC	2025SR0303301	February 20, 2025
21. . .	Transwarp Data Asset Catalog Software V4.0 (星環數據資產目錄軟件V4.0)	Our Company	PRC	2025SR0303313	February 20, 2025
22. . .	Transwarp Labeling Management Platform Software V4.0 (星環標簽管理平台軟件V4.0)	Our Company	PRC	2025SR0306065	February 21, 2025
23. . .	Transwarp Big Data Service Development and Management Tool System Software V4.0 (星環大數據服務開發與管理工具系統軟件V4.0)	Our Company	PRC	2025SR0306132	February 21, 2025

No.	Name	Registrant	Place of Registration	Registration Number	Registration Date
24. . .	Transwarp Big Data Real-time Synchronization Software V4.0 (星環大數據實時同步軟件V4.0)	Our Company	PRC	2025SR0306228	February 21, 2025
25. . .	Transwarp Big Data Integration Tool System Software V4.0 (星環大數據整合工具系統軟件V4.0)	Our Company	PRC	2025SR0306332	February 21, 2025
26. . .	Transwarp Computing Task Scheduling and Management Tool System Software V4.0 (星環計算任務調度與管理工具系統軟件V4.0)	Our Company	PRC	2025SR0306441	February 21, 2025
27. . .	Transwarp Data Warehouse Development Toolkit Software V4.0 (星環數據倉庫開發工具集軟件V4.0)	Our Company	PRC	2025SR0306515	February 21, 2025
28. . .	Transwarp Database Online Development and Collaboration Tool System Software V4.0 (星環數據庫在線開發與協同工具系統軟件V4.0)	Our Company	PRC	2025SR0306586	February 21, 2025
29. . .	Transwarp Data Mall Management Tool System Software V4.0 (星環數據商城管理工具系統軟件V4.0)	Our Company	PRC	2025SR0306729	February 21, 2025
30. . .	Transwarp Data Cloud Development and Operation Tool Platform Software V4.0 (星環數據雲開發與運營工具平台軟件V4.0)	Our Company	PRC	2025SR0306785	February 21, 2025
31. . .	Transwarp Data Indicator Management Platform V4.0 (星環數據指標管理平台V4.0)	Our Company	PRC	2025SR0306883	February 21, 2025
32. . .	Transwarp Distributed Database Software V6 (星環分佈式數據庫軟件V6)	Our Company	PRC	2025SR0294656	February 20, 2025
33. . .	Transwarp LLM Question Answering System V1.0 (星環大模型問答系統V1.0)	Our Company	PRC	2025SR0435807	March 12, 2025
34. . .	Transwarp Real-time Lakehouse Toolkit Software V4.0 (星環實時湖倉工具集軟件V4.0)	Our Company	PRC	2025SR0613712	April 14, 2025

No.	Name	Registrant	Place of Registration	Registration Number	Registration Date
35. . .	Transwarp Data Classification and Grading Platform Software V4.2 (星環數據分類分級平台軟件V4.2)	Our Company	PRC	2025SR0613737	April 14, 2025
36. . .	Transwarp Data Integration and Development Toolkit Software V4.0 (星環數據集成與開發工具集軟件V4.0)	Our Company	PRC	2025SR0613744	April 14, 2025
37. . .	Transwarp Data Masking Platform Software V4.1 (星環數據脱敏平台軟件V4.1)	Our Company	PRC	2025SR0613698	April 14, 2025
38. . .	Transwarp Data Governance and Classification Toolkit Software V1.0 (星環數據治理與分類分級工具集軟件V1.0)	Our Company	PRC	2025SR0613676	April 14, 2025
39. . .	Transwarp Data Security Management Platform V4.8 (星環數據安全管理平台V4.8)	Our Company	PRC	2025SR0691949	April 27, 2025
40. . .	Transwarp Infinity – Wenzhi Software (星環無涯問知軟件)	Beijing Transwarp	PRC	2025SA0028529	March 11, 2025
41 . .	Transwarp Cloud-Native AI Services V1.0 (星環雲原生AI服務管理軟件V1.0)	Our Company	PRC	2025SR1663038	September 1, 2025
42 . .	Transwarp Cloud-Native Data Services V5.0 (星環雲原生數據服務管理軟件V5.0)	Our Company	PRC	2025SR1740338	September 10, 2025
43 . .	Transwarp Knowledge Database V9.0 (星環知識數據庫軟件V9.0)	Our Company	PRC	2025SR1756510	September 11, 2025

(d) Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be material to the business of our Group:

No.	Domain Name	Registered Owner	Expiry Date
1.	transwarp.cn	Our Company	February 21, 2028
2.	transwarp.io	Our Company	March 26, 2029
3.	transwarp.online	Beijing Transwarp	February 11, 2030
4.	wuya-ai.com	Beijing Transwarp	March 21, 2027
5.	infinity-ai.cn	Beijing Transwarp	March 21, 2027
6.	transwarp-hub.ai	Our Company	January 9, 2027

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interest

(a) Interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

The following table sets out the interests and short positions of our Directors and chief executive of our Company immediately following completion of the Global Offering (assuming no additional Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date) in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are 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 to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once our H Shares are listed on the Stock Exchange.

(i) Interest in Shares or underlying Shares of our Company

Name	Nature of Interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in the issued share capital of our Company immediately after the Global Offering
Mr. SUN Yuanhao(2)	Beneficial interest	A Shares	11,167,863 (L)	8.26%
	Interest in controlled corporation	A Shares	7,537,589 (L)	5.58%
	Interest held jointly with another person	A Shares	8,457,920 (L)	6.26%
Mr. LV Cheng(2)	Beneficial interest	A Shares	1,519,779 (L)	1.12%
	Interest held jointly with another person	A Shares	25,643,593 (L)	18.98%
Ms. LI Yiduo(3)	Beneficial interest	A Shares	16,015 (L)	0.01%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) See "Substantial Shareholders" in this document for details.

(3) Including 6,159 A Shares underlying the outstanding share options granted to Ms. LI Yiduo pursuant to the 2023 Share Incentive Scheme.

(b) Interests of substantial shareholders

Save as disclosed in the section headed "Substantial Shareholders" of this prospectus, immediately following the completion of the Global Offering, our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 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.

2. Particulars of the Directors Service Contracts

We have entered into a service contract with each of our Directors. The principal particulars of these service contracts comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has entered into any service contracts as a director with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

3. Remuneration of Directors

The aggregate amount of remuneration which was paid to our Directors (including director's fees, salaries and other benefits, performance based bonuses, retirement benefit scheme contributions and share-based payment expenses) for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 were approximately RMB6.6 million, RMB7.7 million, RMB8.4 million and RMB1.9 million, respectively.

For details of the Directors' remuneration, see "Directors and Senior Management — Remuneration" and note 14 to the Accountants' Report as set out in Appendix I to this prospectus.

4. Disclaimers

(a) Saved as disclosed in this prospectus, none of our Directors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once the H Shares are listed on the Stock Exchange.

(b) Save as disclosed in the section headed "History, Development and Corporate Structure" of this prospectus, none of the Directors nor any of the parties listed in "E. Other Information — 8. Qualifications and Consents of Experts" below:

(i) has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group; or

(ii) is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group.

(c) Save in connection with the Underwriting Agreements, none of the parties listed in "E. Other Information — 8. Qualifications and Consents of Experts" below:

(i) is interested legally or beneficially in any securities in any member of our Group; or

(ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group.

(d) So far as is known to the Directors, none of the Directors or their respective associates or any Shareholders who are interested in 5% or more of the issued share capital of the Company has any interest in the top five customers or our top five suppliers of the Group.

D. 2023 SHARE INCENTIVE SCHEME

The following is a summary of the principal terms of the 2023 Share Incentive Scheme, being a share incentive plan adopted on March 29, 2023, which is outstanding as of the Latest Practicable Date. The terms of 2023 Share Incentive Scheme do not involve any grant of share options by our Company after the Listing and are not subject to the provisions of Chapter 17 of the Listing Rules. The terms of the 2023 Share Incentive Scheme are summarized below.

(a) Purpose

The purpose of the 2023 Share Incentive Scheme is to improve our Group's incentive mechanism and to attract and retain talents to achieve a sustained development of our Group in order to realize our Group's long-term objectives.

(b) Administration

The 2023 Share Incentive Scheme is subject to the approval of the Shareholders, and is administered by the Board, which oversees the day-to-day management of the 2023 Share Incentive Scheme.

(c) Participants

The participants of the 2023 Share Incentive Scheme include the senior management, key technical staff and other personnel of our Company and subsidiaries (excluding supervisors and independent directors) as determined by the Board.

(d) Source and Maximum Number of Shares

The underlying A Shares under the 2023 Share Incentive Scheme are the A Shares to be issued by our Company. Each share option granted represents the right to purchase one A Share within the agreed period at the grant price. The share options are subject to a vesting period and will only be vested upon fulfilling the vesting conditions stipulated. The maximum number of Shares underlying the share options that can be granted under the 2023 Share Incentive Scheme is 1,250,000 Shares, including 103,809 Shares retained (the "**Retained Shares**") to be granted within 12 months after the adoption of the 2023 Share Incentive Scheme. Each participant's entitlement shall be no more than 1% of the total number of Shares of the Company as of the date of submission of the 2023 Share Incentive Scheme to the Shareholders.

(e) Term of the 2023 Share Incentive Scheme

The 2023 Share Incentive Scheme shall be effective from the date of the initial grant of share options under the plan up to the date when all of the share options granted under the plan have been vested or void, provided that the term of the plan shall not exceed 66 months. The date on which the share options are granted shall be determined by the Board after the adoption of the 2023 Share Incentive Scheme. The initial grant of share options shall be announced within 60 days after the approval of the 2023 Share Incentive Scheme by the Shareholders.

(f) Conditions to the Grant of Share Options

The share options under the 2023 Share Incentive Scheme will only be granted to selected participants if the following conditions are fulfilled: (i) with respect to our Company, none of the following circumstances having occurred: (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountant's report for the most recent fiscal year; (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control of the financial report for the most recent fiscal year; (3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing; (4) applicable laws and regulations prohibit the implementation of share incentive; or (5) other circumstances determined by the CSRC; and (ii) with respect to a grantee, none of the following circumstances having occurred: (1) the grantee has been regarded as an inappropriate person by Shanghai Stock Exchange within the last 12 months; (2) the grantee has been regarded as an inappropriate person by the CSRC and its local office within the last 12 months; (3) the grantee has received administrative penalty or been prohibited from entering into the securities market by the CSRC and its local office due to material non-compliance with applicable laws and regulations within the last 12 months; (4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law; (5) the grantee is prohibited from participating in any share incentive of listed companies according to applicable laws and regulations; or (6) other circumstances determined by the CSRC.

(g) Vesting of Share Options

The share options will only be vested when (i) the conditions set out under paragraph (f) above are fulfilled; (ii) the grantee has served our Group for more than 12 months; and (iii) the annual assessment and performance targets as set out under the 2023 Share Incentive Scheme are achieved. The share options (other than the Retained Shares) will be vested in tranches of 40%, 20%, 20% and 20% in each of the four vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 60 months from the date of grant, respectively.

If the Retained Shares are granted before the release of our Company's 2023 third quarterly report, the vesting schedule is the same as that of the other share options as described above. Otherwise, the Retained Shares shall be vested in tranches of 40%, 30% and 30% in each of the three vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively.

(h) Outstanding Share Options

As of the Latest Practicable Date, the number Shares underlying the outstanding share options granted under the 2023 Share Incentive Scheme as resolved by our Board was 172,364, representing 0.14% and 0.13% of the Company's total A Shares and the total issued Shares immediately upon completion of the Global Offering (assuming no additional Shares are issued under the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date).

Assuming full vesting of all outstanding share options granted under the 2023 Share Incentive Scheme, the shareholding of our Shareholders immediately following completion of the Global Offering (assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date) will be diluted by approximately 0.13%. The impact on earnings per share upon full exercise of the share options is not applicable for the year/period during the Track Record Period as we incurred net loss during such period.

The following table sets forth the number of outstanding share options granted to the Directors, senior management, Core R&D Members and other connected persons of our Company as of the Latest Practicable Date:

Name	Position in our Group	Address	Date of grant	Vesting period	Exercise price	Number of Shares under the outstanding share options	Consideration (representing the product of exercise price and the number of Shares underlying the outstanding share options)	As an approximate percentage of issued share capital upon completion of the Global Offering[(1)]
Ms. LI Yiduo . . .	Executive Director, chief financial officer, secretary to the Board	Room 202, No. 16, Lane 251, Zhenjin Road, Putuo District, Shanghai, PRC	March 31, 2023	April 1, 2024 to March 31, 2028	RMB45.06 per Share	6,159	RMB277,524.54	0.005%
Mr. LIU Wanggen .	Core R&D Member and vice president	Room 102, No. 458, Lane 558, Jinping Road, Minhang District, Shanghai, PRC	March 26, 2024	March 27, 2025 to March 24, 2028	RMB45.06 per Share	3,000	RMB135,180.00	0.002%

Note:

(1) The calculation is based on the assumptions that no additional Shares are issued pursuant to the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date.

The following table sets forth the number of outstanding share options granted to other grantees (excluding the Directors, senior management, Core R&D Members and connected persons of the Company) whose outstanding share options represent 6,000 Shares or more as of the Latest Practicable Date:

Name	Positions in our Group	Address	Date of grant	Vesting period	Exercise price	Number of Shares under the outstanding share options	Consideration (representing the product of exercise price and the number of Shares underlying the outstanding share options)	As an approximate percentage of issued share capital upon completion of the Global Offering(1)
WANG Yanfei (王彥飛) . .	Sales director	No. 1 Xibeiwang North Road, Haidian District, Beijing, PRC	March 31, 2023	April 1, 2024 to March 31, 2028	RMB45.06 per Share	11,800	RMB531,708.00	0.009%
HU Li (胡利) . . .	Assistant vice president and sales director	Room 58, Unit 3, Building 35, Balizhuang Dongli, Chaoyang District, Beijing, PRC	March 31, 2023	April 1, 2024 to March 31, 2028	RMB45.06 per Share	9,000	RMB405,540.00	0.007%
ZENG Chenguang (曾晨光) . .	Product manager	Room 1603, Block 28, Huayue Jiayuan, Lane 19, Hongcao Road, Xuhui District, Shanghai, PRC	March 31, 2023	April 1, 2024 to March 31, 2028	RMB45.06 per Share	6,432	RMB289,825.92	0.005%
QIAN Peimin (錢佩敏) . .	Vice president	Room 802, No. 1, Lane 458, Ruijin South Road, Xuhui District, Shanghai, PRC	March 31, 2023	April 1, 2024 to March 31, 2028	RMB45.06 per Share	6,000	RMB270,360.00	0.004%

Note:

(1) The calculation is based on the assumptions that no additional Shares are issued pursuant to the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date.

The table below sets forth the details of outstanding share options granted to other grantees other than (i) the Directors, senior management, Core R&D Members and connected persons of the Company, and (ii) other grantees whose outstanding share options represent 6,000 Shares or more, as of the Latest Practicable Date:

Number of grantees	Date of grant	Vesting period	Exercise price	Number of Shares under the outstanding share options	Consideration (representing the product of exercise price and the number of Shares underlying the outstanding share options)	As an approximate percentage of issued share capital upon completion of the Global Offering(1)
148 grantees.	March 31, 2023 to March 26, 2024	April 1, 2024 to October 30, 2028	RMB45.06 per Share	129,973	5,856,583.38	0.10%

Note:

(1) The calculation is based on the assumptions that no additional Shares are issued pursuant to the 2023 Share Incentive Scheme and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of the Group.

2. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial conditions.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee for listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of US$600,000 for acting as the sponsor for the Listing.

4. Compliance Advisor

The Company has appointed China Everbright Capital Limited as its compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

The Company has not incurred any material preliminary expenses for the purpose of the Listing Rules.

6. Taxation of Holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transaction is affected on the Stock Exchange. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

7. Promoters

Our promoters comprised 37 Shareholders immediately at our conversion as a joint stock company on December 15, 2020:

No.	Name of promoters
1.	SUN Yuanhao (孫元浩)
2.	FAN Lei (范磊)
3.	LV Cheng (呂程)
4.	SHE Hui (佘暉)
5.	Shanghai Zanxing Investment Center (Limited Partnership) (上海贊星投資中心(有限合夥))
6.	Shanghai Yunyou Investment Office (上海雲友投資事務所)
7.	Suzhou Fangguang Venture Capital Partnership (Limited Partnership) (蘇州方廣創業投資合夥企業(有限合夥))
8.	Hundsun Technologies Inc. (恒生電子股份有限公司)
9.	Sunyard Technology Co., Ltd (信雅達科技股份有限公司)

No.	Name of promoters
10.	Shenzhen Qianhai Qinzhi Optimal Investment Partnership (Limited Partnership) (深圳前海勤智優選投資合夥企業(有限合夥))
11.	Shenzhen Qianhai Qinzhi Optimized No. 2 Investment Partnership (Limited Partnership) (深圳前海勤智優選二號投資合夥企業(有限合夥))
12.	Suzhou Qiming Ronghe Venture Capital Partnership (Limited Partnership) (蘇州啟明融合創業投資合夥企業(有限合夥))
13.	Shanghai Ruibi Guanghong Investment Management Partnership (Limited Partnership) (上海瑞贔廣弘投資管理合夥企業(有限合夥))
14.	Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司)
15.	Shenzhen Guozhong SME Development Private Equity Investment Fund Partnership (Limited Partnership) (深圳國中中小企業發展私募股權投資基金合夥企業(有限合夥))
16.	Jinhua Yanghang CoStone Equity Investment Partnership (金華揚航基石股權投資合夥企業(有限合夥))
17.	Linzhi Lichuang Information Technology Co., Ltd. (林芝利創信息技術有限公司)
18.	Qingdao Xingrui Zhixin Equity Investment Center (Limited Partnership) (青島興瑞智新股權投資中心(有限合夥))
19.	CICC Qizhi (Shanghai) Equity Investment Center (Limited Partnership) (中金祺智(上海)股權投資中心(有限合夥))
20.	Hubei Changjiang Hezhi Equity Investment Fund Partnership (Limited Partnership) (湖北省長江合志股權投資基金合夥企業(有限合夥))
21.	Shenzhen TCL Strategic Equity Investment Fund Partnership (Limited Partnership) (深圳TCL戰略股權投資基金合夥企業(有限合夥))
22.	Ningbo Meishan Bonded Port Area Zhunrui Venture Capital Partnership (Limited Partnership) (寧波梅山保稅港區准睿創業投資合夥企業(有限合夥))
23.	Shanghai Jinshan Hongtu Venture Capital Investment Center (Limited Partnership) (上海金山紅土創業投資中心(有限合夥))
24.	Liyang Hongtu New Economy Venture Capital Fund Partnership (Limited Partnership) (溧陽紅土新經濟創業投資基金合夥企業(有限合夥))
25.	Changxia Jinshi (Wuhan) Equity Investment Fund Partnership (Limited Partnership) (長峽金石(武漢)股權投資基金合夥企業(有限合夥))
26.	Anhui Transportation Holdings Jinshi M&A Fund Partnership (Limited Partnership) (安徽交控金石併購基金合夥企業(有限合夥))
27.	Industry Investment Fund Co. Ltd. (產業投資基金有限責任公司)
28.	Ningbo Meishan Bonded Port Zone CICC Haochen Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區中金澔晨股權投資合夥企業(有限合夥))
29.	Hubei Bosheng Jiayuan Equity Investment Partnership (Limited Partnership) (湖北渤盛嘉遠股權投資合夥企業(有限合夥))
30.	Shenzhen Kunpeng Yichuang Strategic Emerging Industries Equity Investment Fund Partnership (Limited Partnership) (深圳市鯤鵬一創戰略新興產業股權投資基金合夥企業(有限合夥))
31.	Bocom Science and Technology Equity Investment Fund (Shanghai) Partnership (Limited Partnership) (交銀科創股權投資基金(上海)合夥企業(有限合夥))
32.	Gongqingcheng Huihua Qixing Investment Partnership (Limited Partnership) (共青城惠華啟星投資合夥企業(有限合夥))
33.	Zhuhai Hengqin Renjun Chunrong Equity Investment Fund (Limited Partnership) (珠海橫琴任君淳榮股權投資基金(有限合夥))
34.	Ningbo Meishan Bonded Port Area Jingkai Yiying Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區晶凱藝贏股權投資合夥企業(有限合夥))
35	Langma No. 25 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪二十五號(深圳)創業投資中心(有限合夥))

No.	Name of promoters
36.	Qingdao Xinding Kenge Rui San Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (青島新鼎啃哥瑞叁私募股權投資基金合夥企業(有限合夥)
37.	Langma No. 31 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪三十一號(深圳)創業投資中心(有限合夥))

Within the two years immediately preceding the date of this prospectus, no cash, securities, amount or benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the Global Offering or the related transactions described in this prospectus.

8. Qualifications and Consents of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) which have given opinions or advice in, or referred to in, this prospectus are as follows:

Name of Expert	Qualifications
Haitong International Capital Limited	A corporation licensed to conduct Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
JunHe LLP	Legal advisors to the Company as to PRC law
Jun He Law Offices LLC	Legal advisors to the Company as to international sanctions laws
JunHe LLP	Legal advisors to the Company as to PRC sanctions laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Each of the experts listed 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 references to its name and qualifications included herein in the form and context in which they respectively appear.

As of the Latest Practicable Date, save as in connection with the Underwriting Agreements, none of the experts named above had any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

9. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

10. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

11. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since March 31, 2026, which would materially affect the information presented in our consolidated financial statements included in the Accountants' Report in Appendix I to this prospectus.

12. Miscellaneous

(a) Within the two years immediately preceding the date of this prospectus, save as disclosed in this prospectus, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash.

(b) Save as disclosed in this prospectus, no share or loan capital of the Company or any of its subsidiary is under option or is agreed conditionally or unconditionally to be put under option.

(c) No founder, management or deferred shares of the Company or any of its subsidiary have been issued or have been agreed to be issued.

(d) Our Company has no outstanding convertible debt securities or debentures.

(e) Within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms (except commissions to the Underwriters) had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

(f) Within the two years immediately preceding the date of this prospectus, no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any Shares in or debentures of our Company or any of our subsidiaries.

(g) There is no arrangement under which future dividends are waived or agreed to be waived.

(h) There has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this prospectus.

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:

(a) a copy of each of the material contracts referred to in "Appendix VI — Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts" in this prospectus; and

(b) the written consents referred to in "Appendix VI — Statutory and General Information — E. Other Information — 8. Qualifications and Consents of Experts" in this prospectus.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.transwarp.cn** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 prepared by Deloitte Touche Tohmatsu, the text of which are set out in Appendix I to this prospectus;

(c) the report on review of condensed consolidated financial statements of our Group for the six months ended June 30, 2026 from Deloitte Touche Tohmatsu, the text of which is set out in Appendix IA to this prospectus;

(d) the report on unaudited pro forma financial information prepared by Deloitte Touche Tohmatsu, the texts of which are set out in Appendix II to this prospectus;

(e) the audited consolidated financial statements of the Group for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026;

(f) the PRC legal opinion from JunHe LLP, our PRC legal advisors, in respect of among other things, general corporate matters and the property interests of our Group in the PRC;

(g) the legal memorandum prepared by JunHe LLP, our legal advisors as to PRC sanctions laws;

(h) the legal memorandum prepared by Jun He Law Offices LLC, our legal advisors as to international sanctions laws;

(i) the industry report prepared by Frost & Sullivan;

(j) the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations;

(k) the service contracts referred to in "Appendix VI — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Particulars of the Directors Service Contracts" in this prospectus;

(l) the material contracts referred to in "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in this prospectus;

(m) the written consents referred to in "Appendix VI — Statutory and General Information — E. Other Information — 8. Qualifications and Consents of Experts" in this prospectus; and

(n) the rules of the 2023 Share Incentive Scheme.

3. DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of grantees under the 2023 Share Incentive Scheme, containing all the particulars as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of Jun He Law Offices at 7/F, AIA Central, 1 Connaught Road Central, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus.

星環信息科技（上海）股份有限公司

Transwarp Technology (Shanghai) Co., Ltd.