

# 諾比侃人工智能科技(成都)股份有限公司

## Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd.

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

Stock Code : 2635

## GLOBAL OFFERING

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



Joint Bookrunners and Joint Lead Managers



## IMPORTANT

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



# Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd. 諾比侃人工智能科技（成都）股份有限公司

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

## GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 3,786,600 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 378,700 H Shares (subject to reallocation)
Number of International Offer Shares	: 3,407,900 H Shares (subject to reallocation and the Over-allotment Option)
Maximum Offer Price	: HK\$106.0 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	: RMB1.0 per H Share
Stock Code	: 2635

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



*Joint Bookrunners and Joint Lead Managers*



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

The Offer Price is expected to be determined by agreement between the Sole Overall Coordinator (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date, which is expected to be on or about Friday, December 19, 2025 and, in any event, not later than 12:00 noon on Friday, December 19, 2025. The Offer Price will not be more than HK\$106.0 per H Share and is expected to be not less than HK\$80.0 per H Share, unless otherwise announced.

The Sole Overall Coordinator (for itself and on behalf of the Underwriters), may, with our Company's consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company at [www.nuobikan.com](http://www.nuobikan.com) not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Details of the arrangement will then be announced by us as soon as practicable. For more details, please refer to the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

We are incorporated, and substantially all of our businesses are located, in the PRC. Potential investors should be aware of the differences in the legal, economic and financial systems between the mainland of the PRC and Hong Kong and that there are different risk factors relating to investment in PRC-incorporated business. Potential investors should also be aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong and should take into consideration the different market nature of the H Shares. Such differences and risk factors are set out in "Risk Factors", "Summary of Principal Legal and Regulatory Provisions" in Appendix IV and "Summary of Articles of Association" in Appendix V.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sole 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. Such grounds are set out in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement — Grounds for Termination".

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, sold, pledged or transferred within the United States. The Offer Shares may be offered, sold or delivered outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act.

### ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering pursuant to Rule 12.11 of the Listing Rules. 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 Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.nuobikan.com](http://www.nuobikan.com). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

December 15, 2025

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## IMPORTANT

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### 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 to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at [www.nuobikan.com](http://www.nuobikan.com). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

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

- (1) apply online through the **HK eIPO White Form** service at [www.hkeipo.hk](http://www.hkeipo.hk);
- (2) apply through the **HKSCC EIPO** channel to electronically cause HKSCC Nominees to apply on your behalf, included by:
  - (i) instructing your **broker** or **custodian** who is a HKSCC Participant or a HKSCC Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf; or
  - (ii) apply through the **HKSCC EIPO** channel to electronically 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 Hong Kong Offer Shares on your behalf.

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

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

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

## IMPORTANT

Your application through the **HK eIPO White Form** service or the HKSCC EIPO channel must be for a minimum of 50 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable <sup>(2)</sup> on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
50	5,353.45	700	74,948.30	5,000	535,345.06	70,000	7,494,830.70
100	10,706.91	800	85,655.21	6,000	642,414.05	80,000	8,565,520.80
150	16,060.35	900	96,362.11	7,000	749,483.06	90,000	9,636,210.90
200	21,413.80	1,000	107,069.01	8,000	856,552.08	100,000	10,706,901.00
250	26,767.26	1,500	160,603.51	9,000	963,621.09	120,000	12,848,281.20
300	32,120.71	2,000	214,138.02	10,000	1,070,690.10	140,000	14,989,661.40
350	37,474.16	2,500	267,672.53	20,000	2,141,380.20	160,000	17,131,041.60
400	42,827.60	3,000	321,207.04	30,000	3,212,070.30	189,350 <sup>(1)</sup>	20,273,517.05
450	48,181.06	3,500	374,741.54	40,000	4,282,760.40		
500	53,534.50	4,000	428,276.05	50,000	5,353,450.50		
600	64,241.41	4,500	481,810.55	60,000	6,424,140.60		

*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.



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## EXPECTED TIMETABLE<sup>(1)</sup>

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*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on our website at [www.nuobikan.com](http://www.nuobikan.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).*

Hong Kong Public Offering commences.....9:00 a.m. on  
Monday, December 15, 2025

Latest time to complete electronic applications under  
the **HK eIPO White Form** service through  
the designated website at [www.hkeipo.hk](http://www.hkeipo.hk)<sup>(2)</sup> .....11:30 a.m. on  
Thursday, December 18, 2025

Application lists open<sup>(3)</sup> .....11:45 a.m. on  
Thursday, December 18, 2025

Latest time to (i) complete payment for **HK eIPO White Form**  
applications by effecting internet banking transfers(s) or  
PPS payment transfer(s), and (ii) give **electronic**  
**application instructions** to HKSCC<sup>(4)</sup> .....12:00 noon on  
Thursday, December 18, 2025

If you are instructing your broker or custodian who is a HKSCC Participant to give **electronic application instructions** via FINI to apply for the Hong Kong Offer Shares on your behalf, 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 close<sup>(3)</sup> .....12:00 noon on  
Thursday, December 18, 2025

Expected Price Determination Date<sup>(5)</sup> .....at or before 12:00 noon  
on Friday, December 19, 2025

Announcement of:

- the Offer Price;
- the level of applications in the Hong Kong Public Offering;
- the level of indications of interest in the International Offering; and
- the basis of allocation of the Hong Kong Offer Shares

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## EXPECTED TIMETABLE<sup>(1)</sup>

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to be published on the websites of the Stock Exchange at

[www.hkexnews.hk](http://www.hkexnews.hk)<sup>(6)</sup> and our Company at

[www.nuobikan.com](http://www.nuobikan.com)<sup>(6)</sup> .....at or before 11:00 p.m.  
on Monday, December 22, 2025

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 as described in the section headed

"How to Apply for Hong Kong Offer Shares —

B. Publication of Results" .....at or before 11:00 p.m.  
on Monday, December 22, 2025

A full announcement of the Hong Kong Public Offering

to be published on the website of the Stock Exchange

at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company's website

at [www.nuobikan.com](http://www.nuobikan.com) ..... at or before 11:00 p.m.  
on Monday, December 22, 2025

Results of allocations in the Hong Kong Public Offering

(with successful applicants' identification document  
numbers, where appropriate) will be available at the "Allotment  
Results" page at [www.tricor.com.hk/ipo/result](http://www.tricor.com.hk/ipo/result) or

[www.hkeipo.hk/IPOResult](http://www.hkeipo.hk/IPOResult) with a "search by ID" function from ..... Monday,  
December 22, 2025

H Share certificates in respect of wholly or partially

successful applications to be dispatched or deposited

into CCASS on or before<sup>(7)</sup> ..... Monday,  
December 22, 2025

**HK eIPO White Form** e-Auto Refund payment instructions/

refund cheques (if applicable) in respect of wholly or partially unsuccessful  
applications pursuant to the Hong Kong Public Offering to be

dispatched on or before<sup>(8)(9)</sup> ..... Tuesday,  
December 23, 2025

Dealings in H Shares on the Stock Exchange

are expected to commence at .....9:00 a.m. on Tuesday,  
December 23, 2025

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## EXPECTED TIMETABLE<sup>(1)</sup>

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*Notes:*

- (1) All dates and times refer to Hong Kong dates and times, except as otherwise stated.
- (2) You will not be permitted to submit your application 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 through the designated website at **www.hkeipo.hk** and obtained an application reference number from the designated website before 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/are a “black” rainstorm warning signal, a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, December 18, 2025, the application lists will not open or close on that day. See the section headed “How to Apply for Hong Kong Offer Shares — E. Bad Weather Arrangements” in this prospectus.
- (4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via CCASS should refer to the section headed “How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels.”
- (5) The Price Determination Date is expected to be on or about Friday, December 19, 2025 and, in any event, not later than 12:00 noon on Friday, December 19, 2025 unless otherwise announced. If, for any reason, the Offer Price is not agreed between the Sole Overall Coordinator (for itself and on behalf of the Underwriters) and us on or before 12:00 noon on Friday, December 19, 2025, the Global Offering will lapse.
- (6) None of the website or any of the information contained on the website forms part of this prospectus.
- (7) No temporary documents of title will be issued in respect of the Offer Shares. H Share certificates for the Hong Kong Offer Shares will only become valid evidence of title provided that (i) the Global Offering has become unconditional in all respects; and (ii) neither of the Underwriting Agreements has been terminated in accordance with their terms prior to 9:00 a.m. on the Listing Date. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid do so at their own risk.
- (8) **HK eIPO White Form** e-Auto Refund payment instruction/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application.
- (9) Applicants who have applied through the **HK eIPO White Form** service for 100,000 or more Hong Kong Offer Shares may collect any H Share certificates in person from our H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, December 23, 2025 or such other date as notified by us as the date of dispatch/collection of H Share certificates/**HK eIPO White Form** e-Auto Refund payment instructions/refund cheques. Applicants being individuals who are eligible for personal collection may not authorise any other person to collect on their behalf. Individuals must produce, at the time of collection, evidence of identity acceptable to our H Share Registrar. Applicants being corporations who are eligible for personal collection must attend by their authorised representatives bearing letters of authorisation from their corporations stamped with the corporations’ chop. Identification and (where applicable) authorisation documents acceptable to our H Share Registrar, Tricor Investor Services Limited, must be produced at the time of collection. Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to the section headed “How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of H Share Certificates and Refund of Application Monies” in this prospectus for details.

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

H Share certificates and/or refund cheques (if applicable) for applicants who have applied for less than 100,000 Hong Kong Offer Shares and any uncollected H Share certificates will be dispatched by ordinary post, at the applicants’ risk, to the addresses specified in the relevant applications.

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

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## EXPECTED TIMETABLE<sup>(1)</sup>

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The H Share certificates will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement is terminated in accordance with their respective terms prior to 8:00 a.m. on the Listing Date. The Listing Date is expected to be on or about Tuesday, December 23, 2025. 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 above expected timetable is a summary only. For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, see the sections headed “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares,” respectively.

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## CONTENTS

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### IMPORTANT NOTICE TO INVESTORS

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

*You should rely on the information contained in this prospectus to make your investment decision. We have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by us, or any of the Relevant Persons. Information contained on our website at [www.nuobikan.com](http://www.nuobikan.com) does not form part of this prospectus.*

	<i>Page</i>
<b>Expected Timetable</b> .....	i
<b>Contents</b> .....	v
<b>Summary</b> .....	1
<b>Definitions</b> .....	36
<b>Glossary of Technical Terms</b> .....	50
<b>Forward-Looking Statements</b> .....	56
<b>Risk Factors</b> .....	58
<b>Waivers from Strict Compliance with the Listing Rules</b> .....	101
<b>Information About This Prospectus and the Global Offering</b> .....	106



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## CONTENTS

---

<b>Directors, Supervisors and Parties Involved in the Global Offering</b>	111
<b>Corporate Information</b>	115
<b>Industry Overview</b>	117
<b>Regulatory Overview</b>	135
<b>History, Development and Corporate Structure</b>	158
<b>Business</b>	186
<b>Relationship with Our Controlling Shareholders</b>	339
<b>Directors, Supervisors and Senior Management</b>	344
<b>Substantial Shareholders</b>	361
<b>Share Capital</b>	367
<b>Financial Information</b>	373
<b>Future Plans and Use of Proceeds</b>	444
<b>Underwriting</b>	450
<b>Structure of the Global Offering</b>	465
<b>How to Apply for Hong Kong Offer Shares</b>	476
<b>Appendix I – Accountants’ Report</b>	I-1
<b>Appendix II – Unaudited Pro Forma Financial Information</b>	II-1
<b>Appendix III – Taxation and Foreign Exchange</b>	III-1
<b>Appendix IV – Summary of Principal Legal and Regulatory Provisions</b>	IV-1
<b>Appendix V – Summary of the Articles of Association</b>	V-1
<b>Appendix VI – Statutory and General Information</b>	VI-1
<b>Appendix VII – Documents Delivered to the Registrar of Companies and Available on Display</b>	VII-1

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## SUMMARY

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### OVERVIEW

We primarily develop and sell monitoring and inspection products and solutions for railway operation and power grid companies, and other urban management solutions in the PRC. We mainly provide integrated software and hardware solutions adopting comprehensive AI industry models for monitoring, inspection and maintenance purposes. According to CIC, we were the second largest AI+ traction power supply inspection and detection system provider in China with a market share of around 5.9% based on our traction power supply related revenue in rail transit in 2024. AI+ traction power supply inspection and detection solutions market accounted for around 2.2% of the market share of China's AI+ rail transit solution industry in 2024 in terms of revenue. We ranked third in the rail transit industry in China for provision of AI+ inspection and monitoring solutions with a market share of around 1.8% based on our rail transit revenue in 2024. AI+ rail transit inspection and monitoring solutions market accounted for around 11.6% of the market share of China's AI+ rail transit solution industry in 2024 in terms of revenue, according to CIC.

We have three business lines targeting the following industry verticals:

- (a) **transportation solution business** covering (i) rail transit, (ii) city transportation, and (iii) airport;
- (b) **energy solution business** covering (i) electricity, and (ii) chemical engineering; and
- (c) **urban management solution business** covering application scenarios mainly including park, campus, emergency and community management.

During the Track Record Period, we generated revenue from our businesses covering rail transit, electricity and urban management. We have also expanded into other industry verticals including city transportation, airport and chemical engineering and were at various business and/or product development stages as of the Latest Practicable Date for commercialization of such newer businesses.

## SUMMARY

The following table summarizes the business model of our three main businesses during the Track Record Period:

	<b>Rail Transit Solution</b>	<b>Electricity Solution</b>	<b>Urban Management Solution</b>
Main products or services sold . . . . .	Catenary checking system (接觸網懸掛狀態缺陷識別系統) for defect detection of the suspension status of overhead railway traction power lines (our main “Rail Transit 4C Product”) which has a relatively high product maturity and is compatible with, and can be integrated into, the railway network of China with relatively less room needed for customization.	(1) IT operation support, monitoring, operation and maintenance and big data processing and analysis for Data Centers of integrated grid construction projects (電網融合建設IT運維) (2) Power grid inspection for defect detection of power transmission and distribution lines	(1) NBK Industry Application Platform, and (2) Domain-specific products with customized functions, covering application scenarios of park, campus, emergency and community management for scenario monitoring, IoT monitoring, emergency response, and big data analysis
Main product or service type . . . . .	Software and hardware integrated solutions	(1) Software products (2) Software and hardware integrated solutions	Software and hardware integrated solutions
Main customer type . . . . .	Distributors; Direct customers	Director customers; System integrators	Direct customers; System integrators
Main targeted end-customers . . . . .	Railway bureaus and their subordinate units	Power grid companies and inspection and analysis service providers of power grid companies	Public sector customers including government agencies, television and broadcasting service providers, public medical and education institutions, industrial park management committees, etc
Revenue model . . . . .	Primarily non-project based, revenue generated by sales of products	Mostly project based, revenue generated for each project highly dependent on scope of project and customized requirements of customers	Mostly project based, revenue generated for each project highly dependent on scope of project and customized requirements of customers

## SUMMARY

The following table sets forth the breakdown of our total revenue by business line for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(Unaudited)</i>									
Transportation										
solution . . . . .	100,980	40.0	110,965	30.5	209,381	52.0	70,694	38.1	70,999	30.7
Energy solution . . . .	92,535	36.6	141,725	39.0	174,497	43.3	114,985	61.9	27,934	12.0
Urban management										
solution . . . . .	59,105	23.4	111,009	30.5	18,762	4.7	47	0.0	132,638	57.3
<b>Total . . . . .</b>	<b>252,620</b>	<b>100.0</b>	<b>363,699</b>	<b>100.0</b>	<b>402,640</b>	<b>100.0</b>	<b>185,726</b>	<b>100.0</b>	<b>231,571</b>	<b>100.0</b>

For further information on the fluctuation of our revenue by business line for the Track Record Period, see “— Summary of Historical Financial Information — Summary of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Data” and “Financial Information — Period to Period Comparison.”

During the Track Record Period, we mainly sold to customers integrated software and hardware solutions adopting different AI industry models applicable to a wide range of application scenarios which accounted for 59.8%, 63.9%, 94.5% and 80.8% of our total revenue for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. Such integrated solutions mainly take the form of (i) back-end integrated servers (一體機) embedded with AI-based software, (ii) front-end devices mainly including precision inspection robots, high-speed AI camera and edge analysis equipment, or a combination of (i) and (ii). To a lesser extent, we also sold during the Track Record Period AI-based software products and provided certain technology services to customers including detection and defects analysis as well as customized development of mainly AI-related software products (the “**Technology Services**”).

## SUMMARY

The following table sets forth the breakdown of our revenue by business line and by product or service type for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
<i>(Unaudited)</i>										
<b>Transportation solution</b>										
– Provision of software and hardware integrated solutions . . . . .	91,912	36.4	110,942	30.5	208,664	51.8	70,694	38.1	68,908	29.8
– Sales of software . . . . .	9,027	3.6	23	0.0	–	–	–	–	–	–
– Technology Services . . . . .	41	0.0	–	–	717	0.2	–	–	2,091	0.9
Subtotal . . . . .	<u>100,980</u>	40.0	<u>110,965</u>	30.5	<u>209,381</u>	52.0	<u>70,694</u>	38.1	<u>70,999</u>	30.7
<b>Energy solution</b>										
– Provision of software and hardware integrated solutions . . . . .	–	–	10,620	2.9	153,186	38.0	113,362	61.0	–	–
– Sales of software . . . . .	84,988	33.6	131,105	36.1	1,623	0.4	1,623	0.9	–	–
– Technology Services . . . . .	7,547	3.0	–	–	19,688	4.9	–	–	27,934	12.0
Subtotal . . . . .	<u>92,535</u>	36.6	<u>141,725</u>	39.0	<u>174,497</u>	43.3	<u>114,985</u>	61.9	<u>27,934</u>	12.0
<b>Urban management solution</b>										
– Provision of software and hardware integrated solutions . . . . .	59,105	23.4	111,009	30.5	18,739	4.7	47	0.0	118,257	51.1
– Sales of software . . . . .	–	–	–	–	–	–	–	–	4,419	1.9
– Technology Services . . . . .	–	–	–	–	23	0.0	–	–	9,962	4.3
Subtotal . . . . .	<u>59,105</u>	23.4	<u>111,009</u>	30.5	<u>18,762</u>	4.7	<u>47</u>	0.0	<u>132,638</u>	57.3
<b>Total . . . . .</b>	<u><b>252,620</b></u>	<u><b>100.0</b></u>	<u><b>363,699</b></u>	<u><b>100.0</b></u>	<u><b>402,640</b></u>	<u><b>100.0</b></u>	<u><b>185,726</b></u>	<u><b>100.0</b></u>	<u><b>231,571</b></u>	<u><b>100.0</b></u>



## SUMMARY

We had relatively higher sales for provision of software and hardware integrated solutions of our energy solution business in 2024 which was mainly in relation to such sales to Customer B. We had relatively higher sales of software for energy solution business in 2023 which were from the sale of software products to system integrators for integrated grid projects whereas in 2024 sales of software for energy solution business was only in the form of specific maintenance and upgrade services which represented certain after-sales services after the delivery of software products. We had relatively higher sales for provision of software and hardware integrated solutions for urban management solution business in 2023 and the first half of 2025 which were mainly attributable to such sales to Customer B and Customer K, respectively.

During the Track Record Period, our products and services were sold to three types of customers, namely (i) distributors, (ii) system integrators, and (iii) direct customers. For further details, see “Business — Sales Channels.” Save for our online e-commerce sales to overseas consumers started in 2024, all of our sales during the Track Record Period and up to the Latest Practicable Date were made to customers located in the PRC.

The following table sets forth the breakdown of our revenue by business line and by sales channel for the periods indicated:

	Year ended December 31,						Six months ended June 30,					
	2022		2023		2024		2024		2025			
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%		
	<i>(unaudited)</i>											
<b>Transportation solution</b>												
– Distributors . . . . .	78,611	31.1	99,965	27.5	197,525	49.1	63,782	34.4	55,540	24.0		
– System Integrators . . .	6,235	2.5	–	–	–	–	–	–	–	–		
– Direct customers . . . .	16,134	6.4	11,000	3.0	11,856	2.9	6,912	3.7	15,459	6.7		
Sub total . . . . .	100,980	40.0	110,965	30.5	209,381	52.0	70,694	38.1	70,999	30.7		
<b>Energy solution</b>												
– System Integrators . . .	84,988	33.6	131,105	36.0	1,623	0.4	1,623	0.9	–	–		
– Direct customers . . . .	7,547	3.0	10,620	3.0	172,874	42.9	113,362	61.0	27,934	12.0		
Sub total . . . . .	92,535	36.6	141,725	39.0	174,497	43.3	114,985	61.9	27,934	12.0		
<b>Urban management solution</b>												
– System Integrators . . .	59,105	23.4	–	–	17,628	4.4	–	–	6,374	2.8		
– Direct customers . . . .	–	–	111,009	30.5	1,134	0.3	47	0.0	126,264	54.5		
Sub total . . . . .	59,105	23.4	111,009	30.5	18,762	4.7	47	0.0	132,638	57.3		
<b>Total . . . . .</b>	<b>252,620</b>	<b>100.0</b>	<b>363,699</b>	<b>100.0</b>	<b>402,640</b>	<b>100.0</b>	<b>185,726</b>	<b>100.0</b>	<b>231,571</b>	<b>100.0</b>		

## SUMMARY

The following table sets forth the number of our customers in the PRC by sales channel and by business line during the Track Record Period:

	Year ended/As of December 31,			Six months ended/As of June 30,
	2022	2023	2024	2025
<b>Sales to distributors:</b>				
– transportation solution . . . . .	8	7	12	10
– energy solution . . . . .	–	–	–	–
– urban management solution . . . . .	–	–	–	–
Subtotal . . . . .	<u>8</u>	<u>7</u>	<u>12</u>	<u>10</u>
<b>Sales to system integrators:</b>				
– transportation solution . . . . .	1	–	–	–
– energy solution . . . . .	2	2	1	–
– urban management solution . . . . .	7	–	1	2
Subtotal . . . . .	<u>10</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Sales to direct customers:</b>				
– transportation solution . . . . .	11	13	11	9
– energy solution . . . . .	1	1	3	3
– urban management solution <sup>(1)</sup> . . . . .	–	1	3	4
Subtotal . . . . .	<u>12</u>	<u>15</u>	<u>17</u>	<u>16</u>
<b>Total . . . . .</b>	<u><u>30</u></u>	<u><u>24</u></u>	<u><u>31</u></u>	<u><u>28</u></u>

*Note:*

- (1) The number of our direct customers for urban management solution business excludes those relating to our overseas sales during the Track Record Period.

During the Track Record Period, we adopted the distributorship business model only for our transportation solution business. Our sales to distributors increased from 2022 to 2024 but decreased by 12.9% to RMB55.5 million for the six months ended June 30, 2025, from RMB63.8 million for the six months ended June 30, 2024. This decrease was mainly attributable to the fluctuations in the customer demand of our newer types of railway transit products. Compared to our traditional Rail Transit 4C Products which generally adopted the power supply AI industry model, these newer products were developed based on different AI industry models, such as those for track maintenance, which are used in different application scenarios for rail transit and thus may be adopted by different rail transit customers. Accordingly, we may need relatively longer time to cultivate the customer base for such different and newer rail transit products. For further details, see “Business — Business Model — Transportation Solution Business — Rail Transit Solution Business — Products and Solutions.” During the same time, our direct sales for transportation solution business increased by 123.6% to RMB15.5 million for the six months ended June 30, 2025, from RMB6.9 million for the six months ended June 30, 2024, which was mainly due to our

## SUMMARY

proactive development of direct sales channels with an increasing number of railway bureaus as direct customers. Such an increase in direct sales largely offset the decrease in distributor sales for transportation solution business and resulted in our overall transportation solution revenue remaining stable in the first half of 2025 as compared to the same period in 2024.

The following table sets forth the breakdown of our total revenue by product or service type and by sales channel for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
<b>Provision of software and hardware integrated solutions</b>										
– distributors: . . . . .	78,611	31.1	99,965	27.5	197,525	49.1	63,782	34.4	53,901	23.3
– system integrators: .	65,340	25.9	–	–	17,628	4.4	–	–	1,955	0.8
– direct customers: . .	7,066	2.8	132,606	36.5	165,436	41.0	120,321	64.7	131,309	56.7
Subtotal . . . . .	<u>151,017</u>	<u>59.8</u>	<u>232,571</u>	<u>64.0</u>	<u>380,589</u>	<u>94.5</u>	<u>184,103</u>	<u>99.1</u>	<u>187,165</u>	<u>80.8</u>
<b>Sales of software</b>										
– distributors: . . . . .	–	–	–	–	–	–	–	–	–	–
– system integrators: .	84,988	33.6	131,105	36.0	1,623	0.4	1,623	0.9	4,419	1.9
– direct customers: . .	9,027	3.6	23	0.0	–	–	–	–	–	–
Subtotal . . . . .	<u>94,015</u>	<u>37.2</u>	<u>131,128</u>	<u>36.0</u>	<u>1,623</u>	<u>0.4</u>	<u>1,623</u>	<u>0.9</u>	<u>4,419</u>	<u>1.9</u>
<b>Technology Services</b>										
– distributors: . . . . .	–	–	–	–	–	–	–	–	1,639	0.7
– system integrators: .	–	–	–	–	–	–	–	–	–	–
– direct customers: . .	7,588	3.0	–	–	20,428	5.1	–	–	38,348	16.6
Subtotal . . . . .	<u>7,588</u>	<u>3.0</u>	<u>–</u>	<u>–</u>	<u>20,428</u>	<u>5.1</u>	<u>–</u>	<u>–</u>	<u>39,987</u>	<u>17.3</u>
<b>Total . . . . .</b>	<u><u>252,620</u></u>	<u><u>100.0</u></u>	<u><u>363,699</u></u>	<u><u>100.0</u></u>	<u><u>402,640</u></u>	<u><u>100.0</u></u>	<u><u>185,726</u></u>	<u><u>100.0</u></u>	<u><u>231,571</u></u>	<u><u>100.0</u></u>

## SUMMARY

During the Track Record Period, a substantial part of our revenue was generated from sales, directly or indirectly, from public sector end-customers. The following table sets forth the breakdown of our total revenue by end-customer type for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Public sector <sup>(1)</sup> . . . . .	236,046	93.4	353,076	97.1	342,789	85.1	185,679	100.0	203,524	87.9
Non-public sector . . . . .	16,574	6.6	10,623	2.9	59,851	14.9	47	0.0	28,047	12.1
<b>Total . . . . .</b>	<b><u>252,620</u></b>	<b>100.0</b>	<b><u>363,699</u></b>	<b>100.0</b>	<b><u>402,640</u></b>	<b>100.0</b>	<b><u>185,726</u></b>	<b>100.0</b>	<b><u>231,571</u></b>	<b>100.0</b>

*Note:*

- (1) Public sector refers to end customers that are state-owned enterprises and/or are engaged in public services, including railway and other public transportation, power grid and other utilities services, government agencies, public medical and educational institutions, etc.

### ***Transportation Solution Business***

- **Rail Transit:** We commenced transportation solution business starting from rail transit in 2018. We provide integrated software and hardware solutions to rail transit customers for various application scenarios, in particular, (a) inspection of railway traction power supply systems, (b) monitoring of railway external environment, and (c) inspection of cargo train operation status.

One key product for rail transit solution business is the catenary checking system (接觸網懸掛狀態缺陷識別系統) which is mainly used for the detection of defects with the suspension status of overhead railway traction power lines, or catenaries. According to CIC, our catenary checking system is one of the first to be industrialized for the railway network in China. As of June 30, 2025, we had provided catenary checking solutions to more than 80% of the number of railway bureaus (including more than 60% of the number of power supply subsections) in China as we at least covered one or more railway routes of each such railway bureau with a cumulative railway mileage of approximately 460,000 kilometers and detection of around 235,000 defects since such solutions were commercialized in 2019. Each railway bureau in China covers a vast number of railway routes and also there are a number of routes to be constructed as planned.

## SUMMARY

The following table sets forth the breakdowns of the sales volume and average selling price of our rail transit solution business during the Track Record Period:

Year ended December 31,										Six months ended June 30,		
2022			2023			2024			2025			
Sales Volume	Revenue	Average Selling Price per Unit <sup>(1)</sup>	Sales Volume	Revenue	Average Selling Price per Unit <sup>(1)</sup>	Sales Volume	Revenue	Average Selling Price per Unit <sup>(1)</sup>	Sales Volume	Revenue	Average Selling Price per Unit <sup>(1)</sup>	
(Unit)	(RMB'000)	(RMB'000 per unit)	(Unit)	(RMB'000)	(RMB'000 per unit)	(Unit)	(RMB'000)	(RMB'000 per unit)	(Unit)	(RMB'000)	(RMB'000 per unit)	
Rail Transit 4C												
Products												
– Catenary checking system <sup>(2)</sup> . . . . .	31	79,883	2,577	40	105,427	2,636	44	111,579	2,536	17	45,459	2,674
– Precision inspection robot <sup>(3)</sup> . . . . .	12	5,475	456	9	4,113	457	1	378	378	14	6,310	451
Rail Transit 2C												
Products	–	–	–	–	–	–	17	12,062	710	8	5,664	708
Other rail transit products												
– Equipment status assessment systems <sup>(4)</sup> . . . . .	–	–	–	–	–	–	30	51,920	1,731	–	–	–
– Safety operation control systems <sup>(5)</sup> . . . . .	–	–	–	–	–	–	14	27,133	1,938	–	–	–
– Others . . . . .	64	15,581	243	8	1,425	178	127	5,592	44	121	11,475	95
Technology services . . . . .	–	41	–	–	–	–	–	717	–	–	2,091	–
Total . . . . .	100,980			110,965			209,381			70,999		

**Notes:**

- (1) Average selling price per unit equals to the revenue divided by the relevant sales volume.
- (2) For further information, see product No. 1 – 1 as discussed in “Business – Business Model – Transportation Solution Business – Rail Transit Solution Business – Products and Solutions.”
- (3) The sales volume and average selling price of precision inspection robot products experienced a decrease in 2024 as compared to 2022 and 2023 for the Track Record Period. This was mainly because in 2024 we were more focused on the development for the upgrade of such product due to changes in customer demand and requirements for a newer product iteration. For further information, see product No. 1 – 2 as discussed in “Business – Business Model – Transportation Solution Business – Rail Transit Solution Business – Products and Solutions.”
- (4) For further information of equipment status assessment systems, see product No. 8 as discussed in “Business – Business Model – Transportation Solution Business – Rail Transit Solution Business – Products and Solutions.”



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## SUMMARY

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- (5) For further information of safety operation control systems, see product No. 7 “Business – Business Model – Transportation Solution Business – Rail Transit Solution Business – Products and Solutions.”

During the Track Record Period, our sales for rail transit solution business covered 27 provinces in China and our rail transit solutions were mainly sold to (i) distributors, mainly being companies engaged in the provision of information technology products and services and having established business relationships with railway bureaus and other end customers, and (ii) direct customers, mainly comprising end customers such as railway bureaus and their subordinate units.

- **City Transportation; Airport:** For city transportation solution business, we are cooperating with a city industrial platform for the development, commercialization and promotion of a comprehensive solution targeted to facilitate daily administration of city transportation. As of the Latest Practicable Date, the project was at the stage of onsite trial run in preparation for commercialization. For airport solution business, we are in the process of development of airport docking products which are machine vision products suitable for assisting airplanes in precise docking at close parking positions. As of the Latest Practicable Date, we were in the process of trial run and necessary product access certification of our airport docking products in preparation for commercialization for sales targeting customers such as airport operators.

### *Energy Solution Business*

- **Electricity:** We commenced the energy solution business starting from electricity in 2022. We provide products and solutions for such business mainly under two application scenarios. One scenario is for IT operation and maintenance of integrated grid construction covering (電網融合建設IT運維) aspects including IT operation support, monitoring, operation and maintenance and big data processing and analysis for Data Center of integrated grid construction projects. During the Track Record Period, we mainly provided under this application scenario AI-based software products to system integrators serving power grid companies. As of June 30, 2025, we had provided solutions to integrated grid construction projects for the IT operation and maintenance of over 100 distributed energy storage Data Centers, including thousands of servers, software and hardware systems, and network devices deployed in such Data Centers.

Another scenario is for power grid inspection, especially for defect detection of power transmission and distribution lines. During the Track Record Period, we mainly provided under this application scenario integrated software and hardware solutions to direct customers such as inspection and analysis service providers of power grid companies. As of June 30, 2025, our solutions had assisted our customers with power grid inspection of more than 30,000 kilometers of power transmission and distribution lines.

- **Chemical Engineering:** In the area of refining process for chemical engineering, we are developing, for a large-scale petrochemical enterprise in China, an inspection robotic patrol system for a refining substation. As of the Latest Practicable Date, we had

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## SUMMARY

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submitted the product development proposal of the inspection system to this petrochemical enterprise which was subsequently approved for entering into the contract signing stage. We also provide chemical engineering solutions for the safety management of oil depots in respect of special operation management, personnel location monitoring and dual prevention of accidents from occurrence and escalation. As of the Latest Practicable Date, we had entered the delivery stage for the sale of oil depot safety management system to an oil depot operator customer with customer acceptance completed for a portion of the products delivered.

### ***Urban Management Solution Business***

We commenced urban management solution business in 2021. In this connection, we provide products and solutions covering a wide suites of application scenarios which mainly include: (i) park management, (ii) campus management, (iii) emergency management and (iv) community management.

We mainly provide integrated software and hardware solutions for urban management solution business. The key types of products we provide include: (a) NBK Industry Application Platform which is a general-purpose tool platform, and (b) domain-specific products with customized functions for specific application scenarios.

During the Track Record Period, our urban management solutions were primarily sold to: (i) system integrators mainly being companies engaged in the integration of information technology products and services to end customers of urban management projects, and (ii) direct customers such as urban management service providers.

Apart from our sales of urban management solutions targeting customers in the PRC, we also commenced sale of home security devices to overseas consumers in the first half of 2024.

For further information of our business model, see “Business – Business Model.”

### **Our NBK-INTARI AI Platform and AI Industry Models**

Through cumulation of industry experience and ongoing R&D efforts, we have developed an underlying AI technology platform, the NBK-INTARI AI Platform, which integrates function modules for data collection, preprocessing, annotation and analysis, as well as for model training and optimization. According to CIC, our NBK-INTARI AI Platform is at the forefront of underlying AI technology platforms in China in the fields of big data processing, deep learning and fundamental algorithms.

See “Business – Core Technologies and IT Infrastructure – The NBK-INTARI AI Platform” for further details.

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## SUMMARY

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We develop diverse AI industry models for various business scenarios and continuously refine our algorithm models and products. An AI industry model refers to the aggregate of algorithm modules that tailors to the utilization in a specific business scenario. An algorithm module refers to a self-contained component or set of instructions within an AI system that performs a specific task or a series of tasks. These algorithm modules are designed to handle particular aspects of data processing, analysis, or decision making that are relevant to the business scenario they are intended for. Our AI industry models are multimodal covering vision mode, simulation mode, language mode, and hardware mode. These modes refer to the different functions and capabilities that our AI industry models are able to achieve. Depending on the specific application scenario, an AI industry model may be “capable of” one mode or a combination of any of such modes. Our AI industry models can interconnect with one another which creates synergies across diverse business scenarios.

See “Business – Business Model – Our AI Industry Models” for further details.

### **Our Business on Project or Non-project Basis**

During the Track Record Period, a portion of our sales of products and solutions, especially much for our energy solution business and urban management solution business, were conducted on a project basis. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from project-based business amounted to RMB157.9 million, RMB242.1 million, RMB153.3 million, and RMB160.5 million, respectively, which accounted for 62.5%, 66.6%, 38.1%, and 69.3% of our total revenue, respectively. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had one, three, 13 and 15 ongoing projects, respectively, with aggregate outstanding balance of contract sum (tax included) of RMB154.8 million, RMB138.5 million, RMB32.3 million, and RMB44.2 million, respectively.

During the Track Record Period, the rest of our business, especially much for our transportation solution business, was conducted on a non-project basis. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from non project-based business amounted to RMB94.7 million, RMB121.6 million, RMB249.4 million, and RMB71.1 million, respectively, which accounted for 37.5%, 33.4%, 61.9%, and 30.7% of our total revenue, respectively.

For further details, see “Business — Business Model — Our Business on Project or Non-project Basis.”

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## SUMMARY

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### MARKET OPPORTUNITIES

AI has evolved in recent decades from a pure theoretical concept to practical applications in real life and is increasingly playing a prominent role across industries. The concept of “AI+,” being the extension of AI technologies into specialized applications across diverse industries, becomes the catalyst for new technologies, models, and ecosystems and a crucial factor in driving economic growth and innovation. AI technologies are heading toward integration with industrial applications in sectors such as transportation, energy, urban management, healthcare, manufacturing, culture and entertainment. At the backdrop of such industry trends and transformation, AI+ industrial integration is playing a pivotal part in harnessing the full value of AI technologies to embrace broader market opportunities in the future with enhanced commercial viability and innovation potential.

In particular, the market size of China’s AI+ transportation solutions industry reached RMB274.1 billion in 2024 and is projected to grow from RMB329.9 billion in 2025 to RMB600.0 billion by 2029, reflecting a CAGR of 16.1%; the market size of China’s AI+ energy solutions industry was RMB0.6 trillion in 2024 and is projected to grow from RMB0.7 trillion in 2025 to RMB1.3 trillion by 2029, at a CAGR of 16.7%; and the market size of China’s AI+ urban management solutions industry reached RMB0.7 trillion in 2024 and is projected to grow from RMB0.8 trillion in 2025 to RMB1.3 trillion by 2029, at a CAGR of 12.9%, according to CIC.

In March 2024, the Premier of China included “AI+” in the Government Work Report, highlighting the importance of advancing AI+ initiatives as a key task. Following this, in July 2024, the Beijing Municipal Development and Reform Commission released the “Beijing Municipal Action Plan to Promote ‘AI+’ (2024-2025)”, which focuses on accelerating AI applications across industries and establishing a comprehensive framework to leverage foundational models for economic and societal development. These policy-driven initiatives are fostering the adoption of AI technologies in various sectors in China, creating significant market opportunities for companies with advanced AI capabilities. They open avenues for expanding applications in transportation, energy, urban management, and beyond. We stand out in the market through our early market entry advantages and proven expertise in implementing AI+ solutions into real-world applications. As one of the earliest companies in China of AI-driven innovations in the transportation and energy sectors, we have become a well-established industry player setting industry standards and securing a strong foothold in China. For further details on our competitive strengths including our early market entry advantages, see “Business — Strengths — First-mover advantages in the application of AI technology in various industry verticals.” Given these strengths, we are well-positioned to capitalise on several market opportunities. In particular, our early market entry advantages enable us to expand into underpenetrated regions or emerging AI+ infrastructure markets, leveraging our advanced industry positions to influence new and emerging industry standards and practices. Additionally, our integration expertise can be harnessed to address the growing demand for large-scale, mission-critical AI+ solutions.

### COMPETITIVE LANDSCAPE

The overall AI+ infrastructure solutions market in China encompasses numerous subsectors, each characterised by a diverse array of players. The competitive landscape in most of these sectors is highly fragmented, with both established traditional companies and innovative startups actively shaping the market. Large traditional companies are exploring ways to integrate AI into their existing business operations, leveraging their scale and resources to adapt to evolving demands. At the same time, new startups are entering the market with specialised AI-driven solutions, addressing niche needs and pushing the boundaries of innovation. This dynamic environment fosters intense competition and continuous advancements across the AI+ infrastructure landscape. In particular:

- We primarily operate in China's AI+ rail transit inspection and monitoring solutions industry with respect to our transportation solution business. AI+ rail transit inspection and monitoring solutions market is a segment of the AI+ rail transit solutions industry, which, together with AI+ non-rail transit solutions market, constitutes the total AI+ transportation market in China. AI+ rail transit inspection and monitoring solutions market accounted for around 11.6% of the market share of the AI+ rail transit solution industry in 2024 in terms of revenue, according to CIC. Other segment markets in the AI+ rail transit industry include AI+ rail transit infrastructure construction, operating and dispatching solutions, carbon efficiency management solutions. The competitive landscape of China's AI+ rail transit inspection and monitoring solutions industry is fragmented, with different players specializing in areas such as traction power supply inspection (such as us), track monitoring, and signal system inspection. Compared to urban railway, where local metro companies manage operations, the national railway market (in which we currently focus) has higher entry barriers due to stricter regulatory requirements. According to CIC, we ranked third in the rail transit industry in China for provision of AI+ inspection and monitoring solutions with a market share of around 1.8% based on our rail transit revenue in 2024 and we are one of the few players in China's AI+ rail transit inspection and monitoring solutions industry leveraging domain-specific foundation models for precise diagnostics and fault prediction.
- The competitive landscape of China's AI+ energy solutions industry is marked by fragmentation and diversity, with a wide array of players involved across the various stages of the energy lifecycle. The market had a concentration ratio of top five players of approximately 16% in 2024 which highlighted its decentralised nature. The market spans multiple subfields, including power generation, distribution, energy storage, and others. Each subfield is characterized by the presence of several large system integrators that play a central role in delivering comprehensive solutions. These integrators frequently collaborate with smaller AI-focused companies, such as our Company, to deliver tailored solutions for specific needs. In the AI+ electricity sector, particularly in power distribution, approximately 20 companies achieve annual revenues exceeding RMB1.0 billion. Beyond these larger



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## SUMMARY

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players, the market includes numerous smaller, innovative companies contributing specialized expertise to different stages of the energy value chain, underscoring the industry’s breadth and complexity.

- The competitive landscape of China’s AI+ urban management solutions industry is highly fragmented and regionally diverse. The market had a concentration ratio of top five players of approximately 10% in 2024 which reflected its fragmented and regionally diverse structure. The market spans various subfields, including community management, campus management, and others, each tailored to meet unique local demands. Companies in this industry are widely distributed across regions, and their operations are often shaped by unique municipal requirements and policy priorities. Furthermore, the lack of publicly available information on many participants makes it difficult to establish comprehensive market rankings. This decentralized and diverse ecosystem highlights the market’s unique dynamics, where innovation emerges from a wide range of participants addressing highly localized challenges. AI+ urban management initiatives are customarily undertaken by large-scale system integrators who manage relatively large-scale projects usually by subcontracting specialized tasks to other companies, facilitating collaboration across the industry. Beyond these key players, the market is increasingly driven by a diverse array of participants — including technology firms, hardware specialists, and AI startups — who contribute to specialized areas such as data analytics, AI integration, and infrastructure management.

## STRENGTHS AND STRATEGIES

We believe that the following strengths have contributed to our success: (i) first-mover advantages in the application of AI technology in various industry verticals, (ii) our AI technology integrated with application scenarios for high revenue growth and sustained profitability, (iii) fast-moving to meet customer needs with products and solutions of high precision, efficiency, and comprehensive functionality, (iv) interconnectivity across multiple scenarios and industries enabled by our multimodal AI industry models, (v) rich experience serving customers with high-standard supplier selection process, and (vi) founding team with years of collaboration and accumulated achievements from R&D endeavors. See “Business — Strengths” for further details.

We plan to implement the following strategies: (i) continue to strengthen the R&D of AI industry models, (ii) continue to reinforce the unified focus of cross-industries and cross-scenarios capabilities for diversifying industrial applications, (iii) continue to deeply cultivate industry verticals with expanded strategic alliances, (iv) expand the team size and attract and cultivate AI talents. See “Business — Strategies” for further details.

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## SUMMARY

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### MAJOR CUSTOMERS AND SUPPLIERS

Our five largest customers in each year or period of the Track Record Period were mainly distributors for our transportation solution business and direct customers and system integrators for energy solution business and urban management solution business. Sales to our five largest customers in each year or period of the Track Record Period amounted to RMB154.3 million, RMB312.5 million, RMB268.3 million, and RMB171.8 million, respectively, representing 61.1%, 85.9%, 66.6%, and 74.2% of our total revenue for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively; sales to our largest customer in each year or period of the Track Record Period amounted to RMB70.3 million, RMB111.0 million, RMB113.4 million, and RMB116.2 million, respectively, representing 27.8%, 30.5%, 28.2% and 50.1% of our total revenue, respectively.

Purchase amount from our five largest suppliers in each year or period of the Track Record Period, which were mainly suppliers of hardware related components and equipment or software systems and modules, as well as data related service providers, amounted to RMB151.9 million, RMB142.1 million, RMB134.3 million, and RMB132.1 million, respectively, representing 60.9%, 70.9%, 50.8%, and 83.5% of our total purchase amount for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively; purchase amount from our largest supplier in each year or period of the Track Record Period amounted to RMB115.7 million, RMB74.1 million, RMB57.3 million, and RMB97.2 million, respectively, representing 46.4%, 37.0%, 21.7% and 61.5% of our total purchase amount, respectively.

During the Track Record Period, we had relatively higher contribution of revenue from our five largest customers in each year or period of the Track Record Period; we also had relatively higher concentration in terms of purchase from our five largest suppliers in each year or period of the Track Record Period. For further details, see “Risk Factors — Risks Related to Our Business and Industry — We had a concentration of customers during the Track Record Period” and “Risk Factors — Risks Related to Our Business and Industry — We had a concentration of suppliers during the Track Record Period.”

### RISK FACTORS

Our business faces risks including those set out in the section headed “Risk Factors.” You should read the “Risk Factors” section in its entirety before you decide to invest in our H Shares. Some of the major risks that we face are in relation to our capabilities to provide and upgrade commercially viable products and solutions to customers and maintain solid business and financial growth to meet the evolving needs of customers, enhance our business and financial performance, maintain our commercial and technical competitive edge in the face of intense competition and shifting in industry trends and changes, as well as the complex and evolving laws and regulations applicable to us. In particular, we are subject to credit risk related to delay in payments and defaults of customers as our trade receivables balance (including long-aging trade receivables) and average trade receivables turnover days increased

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## SUMMARY

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significantly during the Track Record Period. We also have mismatch in much longer credit terms offered to customers as compared to shorter credit terms offered by suppliers which have in part exposed us to the risk of cashflow mismatch in view of the significantly longer trade receivables turnover days as compared to the trade payables turnover days during the Track Record Period. Moreover, we recorded net operating cash outflows during the Track Record Period and may need to obtain additional financing to fund our operations which may not be obtained on favorable terms or at all. As different interpretations and standards may be applied for determining the materiality of a risk, you should carefully consider all of the information set out in this prospectus, including the risks and uncertainties described in the section headed “Risk Factors.”

### AI RELATED LEGAL COMPLIANCE

The AI industry in the PRC is subject to extensive regulatory requirements. In this regard, it is mainly the basic laws and regulations on network and data security and privacy that are applicable to our business operations in the AI industry in China as of the Latest Practicable Date. These laws and regulations in the PRC mainly include the *Cyber Security Law* (《網絡安全法》), the *Data Security Law* (《數據安全法》), the *Personal Information Protection Law* (《個人信息保護法》), the *Measures for Cyber Security Review* (《網絡安全審查辦法》) and the *Regulations on Network Data Security Management* (《網絡數據安全管理條例》) (collectively and together with any of their respective applicable rules and regulations in the PRC, the “**Data Compliance Laws**”). For further details of the Data Compliance Laws and their application and implications on our business operations, see “Risk Factors — Risks Related to Our Business and Industry — We may be subject to complex and evolving laws and regulations and governmental policies regarding cybersecurity, privacy and data protection. Actual or alleged failure to comply with such laws and regulations could damage our reputation, deter current and potential customers from accessing our products and services and subject us to risks of litigation or administrative penalties or other significant legal, financial and operational consequences”, “Regulatory Overview — Laws and Regulations in relation to the Protection of Cyber Security, Data and Privacy” and “Business — Data Privacy and Security.”

As advised by our Data Compliance Advisor, there were no material discrepancies between the requirements of the Data Compliance Laws and our Group’s current practices during the Track Record Period and up to the Latest Practicable Date as we have considered our overall business and R&D activities and have taken necessary management and technical measures that meet the requirements of applicable laws and regulations in the PRC regarding network and data security and privacy; during the Track Record Period and up to the Latest Practicable Date, with respect to our data processing activities and data security management practices, our Group had complied with all applicable Data Compliance Laws in the PRC in all material respects. For further details of such internal control measures, see “Business — Data Privacy and Security.”

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## SUMMARY

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In particular and as advised by our Data Compliance Advisor, our Group is in compliance with the Regulations on Network Data Security Management (《網絡數據安全管理條例》) (the “**Regulations on Network Data Security**”) which took effect in January 2025, and that our Group is not expected to be materially adversely impacted by the implementation of the Regulations on Network Data Security. This is mainly because: (i) we have implemented the necessary management and technical measures in accordance with applicable laws and regulation with respect to network data security. For details, see “Business — Data Privacy and Security — Data Compliance Policies and Measures,” and (ii) as of the Latest Practicable Date, we had not been involved in any investigations relating to cybersecurity reviews conducted by the relevant PRC authorities and nor had we been summoned to attend official meetings with the relevant regulatory authorities or received any inquiry, notice, warning, or sanctions in such respect, and (iii) our Group’s data processing activities are primarily conducted within internal local area network, where data security risks are relatively controllable. At the same time, our Group will continue to closely monitor the implementation dynamics of relevant regulations and promptly adjust the internal management measures to ensure full compliance with the requirements of the regulations.

Separately, as advised by our PRC Legal Advisor, our Group’s business operations and our Company’s proposed listing in Hong Kong do not involve circumstances that can be “determined by the relevant departments of the State Council to be likely to endanger national security” as stipulated in Article 8 of the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises* (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Administrative Measures**”), or to otherwise give rise to national security concerns. This is mainly because: (i) our business operations and listing process do not involve the foreign investment security review process stipulated in the *Measures for the Security Review of Foreign Investments* (《外商投資安全審查辦法》), (ii) we are not required to proactively declare a cybersecurity review for the Global Offering or the Listing and the likelihood for the relevant regulatory authorities to initiate such a cybersecurity review on their part is remote, and (iii) during the Track Record Period and up to the Latest Practicable Date, our Group had not received any notice from the relevant authorities requiring a security review, nor had us received any notice, investigation, or penalty from the relevant authorities of the State Council for determination of the Global Offering or the Listing as potentially endangering national security.

## SUMMARY

### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from Appendix I to this prospectus. You should read this summary in conjunction with our consolidated financial information included in Appendix I to this prospectus, including the accompanying notes set forth therein and the information set forth in “Financial Information.”

#### Summary of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Data

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Revenue . . . . .	252,620	100.0	363,699	100.0	402,640	100.0	185,726	100.0	231,571	100.0
Cost of sales. . . . .	(112,257)	(44.4)	(152,351)	(41.9)	(165,407)	(41.1)	(78,178)	(42.1)	(140,770)	(60.8)
<b>Gross profit. . . . .</b>	<b>140,363</b>	<b>55.6</b>	<b>211,348</b>	<b>58.1</b>	<b>237,233</b>	<b>58.9</b>	<b>107,548</b>	<b>57.9</b>	<b>90,801</b>	<b>39.2</b>
<b>Profit before tax . . .</b>	<b>72,555</b>	<b>28.8</b>	<b>96,860</b>	<b>26.6</b>	<b>126,104</b>	<b>31.3</b>	<b>53,298</b>	<b>28.7</b>	<b>44,332</b>	<b>19.2</b>
<b>Profit for the</b>										
<b>year/period . . . . .</b>	<b>63,161</b>	<b>25.1</b>	<b>88,566</b>	<b>24.3</b>	<b>115,368</b>	<b>28.6</b>	<b>50,736</b>	<b>27.3</b>	<b>40,081</b>	<b>17.4</b>

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our total revenue was RMB252.6 million, RMB363.7 million, RMB402.6 million, and RMB231.6 million, respectively; and our profit for the year or period was RMB63.2 million, RMB88.6 million, RMB115.4 million, and RMB40.1 million, respectively.

The increase in our profit for the year from 2022 to 2023 was primarily due to the increase in our total revenue for the same years which mainly reflected (i) the increase in revenue of urban management solution business from RMB59.1 million in 2022 to RMB111.0 million in 2023 mainly attributable to the increase in direct customer sales as we commenced such sales in 2023 to Customer B for urban management solution, and (ii) the increase in revenue of energy solution business from RMB92.5 million in 2022 to RMB141.7 million in 2023 mainly attributable to increase in sales to system integrators of IT operation and maintenance solutions in connection with integrated grid construction projects.

## SUMMARY

The increase in our profit for the year from 2023 to 2024 was primarily due to the increase in our total revenue for the same years which mainly reflected (i) the increase in revenue of transportation solution from RMB111.0 million in 2023 to RMB209.4 million in 2024 attributable to an increase in sales from rail transit solution business mainly reflecting increase in customer demand with expansion in sales to distributors and enhancement of our product offerings and applications, (ii) the increase in revenue of energy solution business from RMB141.7 million in 2023 to RMB174.5 million in 2024 mainly due to an increase in sales to direct customers in respect of both power grid inspection and Technology Services, and (iii) a decrease in impairment losses on financial and contract assets from RMB28.6 million in 2023 to RMB19.4 million in 2024.

The decrease in our profit for the period for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024 was primarily due to the decrease in our gross profit (despite an increase in total revenue over the same period). The decrease in gross profit was mainly due to a significant decrease in the gross profit from energy solution business as affected by a decrease in its gross profit margin primarily attributable to an increase in customized development projects for Technology Services which incurred more procurement cost of ancillary services. For further details, see “Financial Information — Period to Period Comparison.”

### *Cost of Sales*

The following table sets forth the breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Procurement cost										
of software . . . . .	51,983	46.4	106,255	69.8	20,655	12.5	20,655	26.4	41,652	29.6
Hardware-dominant										
procurement cost . . .	53,225	47.4	45,896	30.1	128,354	77.6	57,299	73.3	70,017	49.7
Procurement cost										
of ancillary services . .	6,887	6.1	–	–	15,877	9.6	–	0.0	27,292	19.4
Labor costs . . . . .	162	0.1	200	0.1	521	0.3	224	0.3	1,809	1.3
<b>Total . . . . .</b>	<b>112,257</b>	<b>100.0</b>	<b>152,351</b>	<b>100.0</b>	<b>165,407</b>	<b>100.0</b>	<b>78,178</b>	<b>100.0</b>	<b>140,770</b>	<b>100.0</b>

## SUMMARY

The following table sets forth the breakdown of our total cost of sales by business line and by cost component for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
<i>(unaudited)</i>										
<b>Transportation solution business:</b>										
– Procurement cost of software . . . . .	–	–	1	0.0	–	–	–	–	–	–
– Hardware-dominant procurement cost . .	12,046	10.7	8,214	5.4	60,714	36.7	8,653	11.1	10,941	7.8
– Procurement cost of ancillary services . .	–	–	–	–	–	–	–	–	1,062	0.8
– Labor costs . . . . .	41	0.0	61	0.0	268	0.2	107	0.2	104	0.1
Subtotal . . . . .	<u>12,087</u>	<u>10.7</u>	<u>8,276</u>	<u>5.4</u>	<u>60,982</u>	<u>36.9</u>	<u>8,760</u>	<u>11.3</u>	<u>12,107</u>	<u>8.7</u>
<b>Energy solution business:</b>										
– Procurement cost of software . . . . .	50,888	45.4	76,395	50.2	20,655	12.5	20,655	26.4	–	–
– Hardware-dominant procurement cost . .	–	–	591	0.4	51,236	31.0	48,618	62.2	–	–
– Procurement cost of ancillary services . .	6,887	6.1	–	–	15,877	9.6	–	–	22,311	15.8
– Labor costs . . . . .	42	0.0	62	0.0	202	0.1	117	0.1	1,013	0.7
Subtotal . . . . .	<u>57,817</u>	<u>51.5</u>	<u>77,048</u>	<u>50.6</u>	<u>87,970</u>	<u>53.2</u>	<u>69,390</u>	<u>88.7</u>	<u>23,324</u>	<u>16.5</u>
<b>Urban management solution business:</b>										
– Procurement cost of software . . . . .	1,095	1.0	29,859	19.6	–	–	–	–	41,652	29.5
– Hardware-dominant procurement cost . .	41,179	36.7	37,091	24.3	16,404	9.9	28	0.0	59,076	42.0
– Procurement cost of ancillary services . .	–	–	–	–	–	–	–	–	3,919	2.8
– Labor costs . . . . .	79	0.1	77	0.1	51	0.0	–	–	692	0.5
Subtotal . . . . .	<u>42,353</u>	<u>37.8</u>	<u>67,027</u>	<u>44.0</u>	<u>16,455</u>	<u>9.9</u>	<u>28</u>	<u>0.0</u>	<u>105,339</u>	<u>74.8</u>
<b>Total . . . . .</b>	<b><u>112,257</u></b>	<b><u>100.0</u></b>	<b><u>152,351</u></b>	<b><u>100.0</u></b>	<b><u>165,407</u></b>	<b><u>100.0</u></b>	<b><u>78,178</u></b>	<b><u>100.0</u></b>	<b><u>140,770</u></b>	<b><u>100.0</u></b>



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## SUMMARY

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The fluctuations of our key cost components during the Track Record Period were primarily attributable to the project based nature of our energy solution business and urban management solution business as the extent of hardware and software required for each project varied depending on customer specifications.

**Hardware-dominant procurement cost:** Our hardware-dominant procurement cost increased significantly in 2024 as compared with 2023, which was due to the increases in such cost for transportation solution business and energy solution business, and offset by the decrease in such cost in relation to urban management solution business:

- For transportation solution business, hardware-dominant procurement cost increased from RMB8.2 million in 2023 to RMB60.7 million in 2024, which was mainly because newer rail transit products, including equipment status assessment systems and safety operation control systems, required the analysis of larger and more complex datasets, which imposed higher requirements on both algorithms and hardware that subsequently led to more hardware-dominant procurement costs involved.
- For energy solution business, hardware-dominant procurement cost increased from RMB0.6 million in 2023 to RMB51.2 million in 2024, which was mainly attributable to the fact that in 2023 a significant portion of our energy solution business consisted of sale of software products to system integrators in connection with integrated grid construction projects whereas in 2024 there has been an increase in sale of integrated hardware and software solutions due to an increase in sales to direct customers in respect of power grid inspection which consequently led to more hardware-dominant procurement costs.
- The above-mentioned increases in hardware-dominant procurement cost was offset by the decrease of such cost for urban management solution business in 2024 as compared to 2023 which was due to a smaller overall business scale for such business.

Hardware-dominant procurement cost for energy solution business was nil for the six months ended June 30, 2025, which was primarily because we mainly provided Technology Services for energy solution business during this period, and the costs of which were reflected as procurement cost of ancillary services. Hardware-dominant procurement cost for urban management solution business increased substantially for the six months ended June 30, 2025, as compared with the same period in 2024, which was primarily because the expanded project scale required higher hardware-related configurations.

**Procurement cost of software:** Our procurement cost of software increased substantially in 2023 as compared with 2022, which was due to the increases in such cost for both urban management solution business and energy solution business: (i) for urban management solution business, procurement cost of software increased from RMB1.1 million in 2022 to RMB29.9 million in 2023 which was primarily due to an increase in software configurations in urban

## SUMMARY

management projects in 2023, and (ii) for energy solution business, procurement cost of software increased from RMB50.9 million in 2022 to RMB76.4 million which was mainly driven by the increase in sales of software products in connection with integrated grid construction in 2023 as compared to 2022.

Our procurement cost of software decreased significantly in 2024 as compared to 2023, which was due to the decreases in such cost for both energy solution business and urban management solution business: (i) for energy solution business, procurement cost of software decreased from RMB76.4 million in 2023 to RMB20.7 million in 2024. The relatively higher procurement cost of software in 2023 was arising from the sales of software products in connection with integrated grid construction whereas we hardly generated such sales in 2024 for our energy solution business, and (ii) for urban management solution business, procurement cost of software decreased from RMB29.9 million in 2023 to nil in 2024, which was primarily because the overall scale of urban management projects in 2024 was relatively small due to project cyclicalities, and the software used was entirely developed in-house, resulting in no external procurement cost of software.

### *Gross Profit and Gross Profit Margins*

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

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
<i>(unaudited)</i>										
Transportation										
solution business . . . . .	88,893	88.0	102,689	92.5	148,399	70.9	61,934	87.6	58,892	82.9
Energy solution										
business . . . . .	34,718	37.5	64,677	45.6	86,527	49.6	45,595	39.7	4,610	16.5
Urban management										
solution business . . . . .	16,752	28.3	43,982	39.6	2,307	12.3	19	40.4	27,299	20.6
<b>Total/Overall . . . . .</b>	<b>140,363</b>	<b>55.6</b>	<b>211,348</b>	<b>58.1</b>	<b>237,233</b>	<b>58.9</b>	<b>107,548</b>	<b>57.9</b>	<b>90,801</b>	<b>39.2</b>

We had a decrease in gross profit margin for our transportation solution business in 2024 as compared to other years or periods of the Track Record Period. This was mainly because (i) we adopted the distributorship business model during the Track Record Period only for our transportation solution business and (ii) there was a considerable decrease in gross profit margin for sales to distributors in 2024 as we adopted more favorable pricing policy to distributors for newer products of transportation solution business (such as equipment status

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## SUMMARY

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assessment systems and safety operation control systems) with a view to tapping into more distributors with enhanced sales coverage and such newer products also involved more hardware-dominant procurement cost as compared to our Rail Transit 4C Products of catenary checking systems. For these newer products, our marketing strategy is to initially adopt relatively lower pricing and collaborate with distributors to secure more market resources and to quickly improve market acceptance and expand market share before we are able to gradually increase the prices with improved profit margins. We plan to continue increasing investment in product development and manufacturing, expand the scale of our sales team, and collaborate with industry partners to promote these products on a larger scale, while gradually improving product gross margins. For these newer products, we have designated three railway bureaus as pilot locations and plan to replicate this strategy, leveraging resources from industry ecosystem partners to achieve broader product promotion. The pricing to distributors for our key products of transportation solution business, such as our Rail Transit 4C Products of catenary checking systems, remained relatively stable in 2024 and with gross profit margins generally higher than those newer products due to their more standardized nature and higher product maturity.

The increasing trend of our gross profit margin for energy solution business from 2022 to 2024 was mainly due to the increase in sales of power grid inspection in 2023 and 2024 which also had relatively higher gross profit margin. The decrease in gross profit margin for energy solution business for the six months ended June 30, 2025 as compared to the same period in 2024 was mainly due to (i) the relatively higher gross profit margin for such business in the first half of 2024 mainly resulting from the higher gross profit margin for software and hardware integrated solutions provided to Customer B, and (ii) an increase in revenue contribution from customized development projects for Technology Services in the first half of 2025 which had relatively lower gross profit margin with more procurement cost of ancillary services involved.

The fluctuations of gross profit margins for our urban management solution business during the Track Record Period was mainly due to the project-based nature of such business whereby the overall gross profit level for such business may differ considerably from period to period and from one project to another depending on project size and scope, different pricing and customer budget involved. We had higher gross profit margin for urban management solution business in the first half of 2024 as compared to the same period in 2025 which was mainly because all of our revenue from such business was generated from overseas sales in the first half of 2024 which had relatively higher gross profit margin as compared to our sales for urban management solution business generated in the PRC.

During the Track Record Period, the gross profit margin for our urban management solution business was generally lower than those of our other business lines. This was mainly because urban management solution business operates across more fragmented application scenarios and involves a higher average level of customization compared with other business lines, which make it more likely to impose more costs in delivering the relevant solutions. According to CIC, our gross profit margin during the Track Record Period for urban management solution business remained within a reasonable range as compared to the industry levels for such business, according to CIC.

## SUMMARY

The following table sets forth the breakdown of our gross profit and gross profit margin by product or service type for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(Unaudited)</i>									
Provision of software and hardware integrated solutions	96,577	64.0	156,617	67.3	231,222	60.8	105,987	57.6	76,152	40.7
Sales of software	43,085	45.8	54,731	41.7	1,561	96.2	1,561	96.2	2,423	54.8
Technology Services	701	9.2	–	–	4,450	21.8	–	–	12,226	30.6
<b>Total . . . . .</b>	<b>140,363</b>	<b>55.6</b>	<b>211,348</b>	<b>58.1</b>	<b>237,233</b>	<b>58.9</b>	<b>107,548</b>	<b>57.9</b>	<b>90,801</b>	<b>39.2</b>

The decrease in our gross profit margin for provision of software and hardware integrated solutions in the first half of 2025 as compared to the same period in 2024 was mainly attributable to the decrease in gross profit margin for such solutions provided in our urban management solution business. All of our revenue from urban management solution business was generated from overseas sales in the first half of 2024 which had relatively higher gross profit margin as compared to our sales for urban management solution business generated in the PRC.

We had a significant increase in gross profit margin for sales of software in 2024 as compared to 2023 which was mainly related to our sales of software for energy solution business. In 2023 such sales of software for energy solution business were from the sale of software products to system integrators whereas in 2024 sales of software for energy solution business was only in the form of specific maintenance and upgrade services which represented certain after-sales services after the delivery of software products. Delivery of such specific maintenance and upgrade services had considerably higher gross profit margin as compared to our sales of software products to energy solution business customers.

## SUMMARY

The following table sets forth the breakdown of our gross profit and gross profit margin by sales channel for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Distributors . . . . .	73,378	93.3	93,508	93.5	139,042	70.4	56,841	89.1	47,333	85.2
System Integrators . .	51,603	34.3	54,709	41.7	3,090	16.1	1,561	96.2	2,788	43.7
Direct Customers . .	15,382	64.9	63,131	47.6	95,101	51.2	49,146	40.8	40,680	24.0
<b>Total/Overall . . . .</b>	<b>140,363</b>	<b>55.6</b>	<b>211,348</b>	<b>58.1</b>	<b>237,233</b>	<b>58.9</b>	<b>107,548</b>	<b>57.9</b>	<b>90,801</b>	<b>39.2</b>

We had considerably lower gross profit margin for sales to distributors in 2024 as compared to other years of the Track Record Period, which was due to the same reason for the decrease in gross profit margin in 2024 of our transportation solution business as discussed above because we adopted the distributorship business model during the Track Record Period only for our transportation solution business. We had a considerable decrease in gross profit margin for sales to system integrators in 2024 which was mainly in relation to such sales for urban management solution business as compared to 2023 which was in relation to sales to system integrators for integrated grid construction projects of our energy solution business. Due to the project-based nature of such businesses, the gross profit level may differ considerably from one project to another depending on project size and scope, different pricing and customer budget involved.

The following table sets forth the breakdown of our gross profit and gross profit margin by project or non-project basis for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Project basis . . . . .	52,264	33.1	98,693	40.8	51,405	33.5	45,595	39.7	31,873	19.9
Non-project basis . .	88,099	93.0	112,655	92.7	185,828	74.5	61,953	87.6	58,928	82.9
<b>Total/Overall . . . .</b>	<b>140,363</b>	<b>55.6</b>	<b>211,348</b>	<b>58.1</b>	<b>237,233</b>	<b>58.9</b>	<b>107,548</b>	<b>57.9</b>	<b>90,801</b>	<b>39.2</b>

## SUMMARY

The decrease in our gross profit margin for non-project basis business from 2023 to 2024 was generally in line with the decrease of gross profit margin for our transportation solution business which was conducted generally on a non-project basis.

### Summary of Selected Consolidated Statements of Financial Position Data

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets . . . . .	17,010	31,936	129,644	116,128
Current assets . . . . .	448,767	506,169	706,551	891,553
Current liabilities . . . . .	153,490	126,427	193,737	317,326
NET CURRENT ASSETS . . . . .	295,277	379,742	512,814	574,227
TOTAL ASSETS LESS CURRENT LIABILITIES . . . . .	312,287	411,678	642,458	690,355
Total non-current liabilities . . . . .	2,586	13,411	2,737	10,553
Net assets . . . . .	309,701	398,267	639,721	679,802

The balance of net current assets increased from RMB295.3 million as of December 31, 2022 to RMB379.7 million as of December 31, 2023. This was primarily due to (i) an increase in trade and bills receivables of RMB120.6 million mainly due to an increase in trade receivables which was generally due to the increase in our sales and coupled with prolonged period for collecting trade receivables from time to time, and (ii) a decrease in trade and bill payables of RMB76.1 million which was mainly attributable to a relatively higher balance of trade payables of RMB104.1 million as of December 31, 2022 that was primarily due to the prolonged payment to suppliers for our procurement in connection with sales to system integrators, especially for our energy solution business, partially offset by (i) a decrease in cash and cash equivalents of RMB53.9 million whereby the higher balance as of December 31, 2022 was mainly attributable to the capital contribution from shareholders of RMB195.0 million in aggregate in 2022 in relation to the Pre-IPO Investments and (ii) an increase in interest-bearing bank loans of RMB49.3 million.

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## SUMMARY

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The balance of net current assets increased from RMB379.7 million as of December 31, 2023 to RMB512.8 million as of December 31, 2024. This was primarily due to (i) an increase in trade and bills receivables of RMB172.5 million mainly due to an increase in trade receivables which was generally due to the increase in our sales and coupled with prolonged period for collecting trade receivables from time to time and (ii) an increase in cash and cash equivalents of RMB82.8 million primarily resulting from capital contribution from shareholders of RMB130.0 million in 2024 in relation to the Pre-IPO Investments, partially offset by (i) a decrease in contract costs of RMB43.0 million, and (ii) an increase in other payables and accruals of RMB28.1 million mainly due to an increase in contract liabilities and taxes payables other than income tax.

The balance of net current assets increased from RMB512.8 million as of December 31, 2024 to RMB574.2 million as of June 30, 2025. This was primarily due to an increase in cash and cash equivalents of RMB170.5 million, primarily resulting from increased collection of trade receivables, and partially offset by an increase in trade and bills payables of RMB72.1 million.

The balance of net assets, or total equity, increased from RMB23.3 million as of January 1, 2022 to RMB309.7 million as of December 31, 2022 which was primarily attributable to: (i) capital contribution from shareholders of RMB195.0 million in aggregate in relation to the Pre-IPO Investments, (ii) profit for the year of RMB63.2 million in 2022, and (iii) termination of redemption liabilities on series A owners' capital of RMB38.1 million (details of which are set forth in Note 27 of the Accountants' Report in Appendix I to this prospectus), partially offset by (i) dividends paid to shareholders of RMB6.0 million, and (ii) share issue expenses of RMB3.8 million.

The balance of net assets, or total equity, increased from RMB309.7 million as of December 31, 2022 to RMB398.3 million as of December 31, 2023 which was due to the addition of profit for the year of RMB88.6 million in 2023. Such balance increased from RMB398.3 million as of December 31, 2023 to RMB639.7 million as of December 31, 2024, which was attributable to: (i) issue of shares of RMB130.0 million in aggregate in relation to the Pre-IPO Investments, and (ii) profit for the year of RMB115.4 million in 2024, partially offset by share issue expense of RMB3.9 million.

The balance of net assets, or total equity, increased from RMB639.7 million as of December 31, 2024 to RMB679.8 million as of June 30, 2025, which was due to the addition of profit for the period of RMB40.1 million.

## SUMMARY

### Summary of Selected Consolidated Cash Flow Statements Data

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Operating cash flows before movements in working capital . . . . .	90,227	130,377	157,774	66,499	72,660
Changes in working capital . . .	(157,571)	(216,682)	(106,355)	(95,252)	20,375
Net cash flows from/(used in) operating activities . . . . .	(80,585)	(99,922)	40,223	(40,047)	84,398
Net cash flows used in investing activities . . . . .	(2,011)	(9,278)	(76,107)	(67,185)	(533)
Net cash flows from financing activities . . . . .	213,669	55,284	118,677	123,724	86,624
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS . . . . .	131,073	(53,916)	82,793	16,492	170,489
Cash and cash equivalents at beginning of year . . . . .	<u>7,382</u>	<u>138,455</u>	<u>84,539</u>	<u>84,539</u>	<u>167,332</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR . . . . .	<u>138,455</u>	<u>84,539</u>	<u>167,332</u>	<u>101,031</u>	<u>337,821</u>

### *Net operating cash outflows during the Track Record Period*

We recorded net cash flows used in operating activities of RMB80.6 million and RMB99.9 million in 2022 and 2023, respectively. This was primarily due to (i) the relatively longer credit terms we granted to our customers during the Track Record Period (generally of up to 12 months) than our actual payment period to suppliers; and (ii) an increase in trade receivables, which, while primarily was attributable to the increase in our sales and reflecting our business expansion during the Track Record Period, was also caused by our extended period for collecting trade receivables from time to time. Such extended payment collection was mainly because (i) certain of our sales are made to end customers from the public sector that feature relatively solid credit status yet a long payment cycle because of their internal financial management and payment approval processes, and (ii) we also have sales made indirectly to such end customers, such as those through system integrators, whereby our payment collection from system integrators may be dependent on payment from the end customers in the first place, or such sales are made through distributors who had encountered payment difficulties due to the delays in railway customer projects as impacted by COVID-19



## SUMMARY

in 2022. We believe that there is no material recoverability issue with respect to our trade receivables, especially those long-aging trade receivables aged over one year. For reasons regarding recoverability of our trade receivables, see “Financial Information – Description of Selected Consolidated Statements of Financial Position Items — Trade and Bills Receivables — Trade Receivables — Subsequent settlement and recoverability of trade receivables.”

We recorded net cash flows from operating activities of RMB40.2 million in 2024 as compared to the net cash flows used in operating activities of RMB99.9 million in 2023. We recorded net cash flows from operating activities of RMB84.4 million for the six months ended June 30, 2025 as compared to the net cash flows used in operating activities of RMB40.0 million for the same period in 2024. For further details, see “Financial Information — Liquidity and Capital Resources — Cash Flows from Operating Activities” and “Risk Factors — Risks related to our Business and Industry — We recorded net operating cash outflows during the Track Record Period and may need to obtain additional financing to fund our operations which may not be obtained on favorable terms or at all.”

### Key Financial Ratios

	As of/ Year ended December 31,			As of/ Six months ended June 30,
	2022	2023	2024	2025
Current ratio . . . . .	2.92	4.00	3.65	2.81
Gross profit margin . . . . .	55.6%	58.1%	58.9%	39.2%
Net profit margin . . . . .	25.1%	24.3%	28.6%	17.4%

For more information on the calculation formulas of and further discussion on our key financial ratios, see “Financial Information — Key Financial Ratios.”

COVID-19 has, to certain extent, caused temporary impact to our financial performance and business operations historically, including hindrance to our business travels, face to face communication with customers and timely on-site acceptance of our products and solutions. It also to certain extent contributed to prolonged payment cycle with respect to the customer projects to which we provided products and solutions. For details, see “Risk Factors — Risks Related to our Business and Industry — We are subject to credit risk related to delay in payments and defaults of customers as our trade receivables balance and average trade receivables turnover days increased significantly during the Track Record Period” and “Business — Impact of the Covid-19 Pandemic.” During the Track Record Period and up to the Latest Practicable Date, we did not experience any material adverse impact of COVID-19 on our financial performance or business operations.

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## SUMMARY

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### OUR CONTROLLING SHAREHOLDERS

Pursuant to a concert party agreement dated March 10, 2019 and an accession agreement dated November 29, 2019 (collectively, the “**Concert Party Agreements**”), Mr. Liao (our founder, Chairman and executive Director), Tieke Chuangzhi, Tang Taike (唐泰可, our executive Director and chief technology officer), Lin Renhui (林仁輝, the chairman of the Supervisory Committee and our research and development director), Su Maocai (蘇茂才, our research and development director) and Tieke Intelligent agreed that they shall act in concert with respect to, inter alia, the right to propose resolutions at general meetings, voting rights and other matters which are subject to the approval in general meetings of our Company, for the period since the dates of the Concert Party Agreements and upon the expiration of our Company’s registered operating period. As of the Latest Practicable Date, by virtue of the Concert Party Agreements, Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent are collectively entitled to exercise voting rights of approximately 51.1% of the voting rights in our Company, and are considered to be a group of Controlling Shareholders.

Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent will be collectively entitled to exercise voting rights underlying approximately 46.0% of the total issued share capital of our Company, and hence they will remain as a group of Controlling Shareholders. See “Relationship with our Controlling Shareholders” for details.

### PRE-IPO INVESTMENTS

Our Pre-IPO Investments include Series A Financing, Series B Financing, Series C Financing, Series D Financing (including Series D Acquisition and Series D Subscription) and Series D+ Financing. We raised a total of approximately RMB355.0 million through Series A Financing, Series B Financing, Series C Financing, Series D Subscription and Series D+ Financing. We did not receive any proceeds from the Series D Acquisition.

Pursuant to the PRC Company Law, all the existing Shareholders (including the Pre-IPO Investors) are subject to a one-year lock-up period from the Listing Date. Our Pre-IPO Investors consist of private equity funds, government-led funds and private investors, some with specific focus on information technology and AI sectors. See “History, Development and Corporate Structure — Corporate Development of our Company — Pre-IPO Investments” in this prospectus for details.

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## SUMMARY

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### DIVIDENDS

We declared dividends of RMB6.0 million in 2022 which was subsequently paid out as of December 31, 2022. Other than that, no dividend was declared or paid by our Company during the Track Record Period and up to the Latest Practicable Date. Our dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future.

After completion of the Global Offering, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

According to the PRC Company Law, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. Such company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above.

As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that our Company or any of our PRC subsidiaries make will have to be first applied to make up for any historically accumulated losses, after which we will be obliged to allocate 10% of net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses (if any) have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the Global Offering.

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## SUMMARY

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### GLOBAL OFFERING STATISTICS

The numbers in the following table are based on the assumptions that (i) the Global Offering has been completed and 3,786,600 H Shares are issued and sold in the Global Offering, (ii) the Over-allotment Option is not exercised, and (iii) 37,866,600 Shares are in issue upon completion of the Global Offering:

	Based on the Offer Price of HK\$80.0	Based on the Offer Price of HK\$106.0
Market capitalization upon completion of the Global Offering <sup>(1)</sup> . . . . .	HK\$3,029.3 million	HK\$4,013.9 million
Unaudited pro forma adjusted consolidated net tangible assets per Share <sup>(2)</sup> . . . . .	HK\$26.99	HK\$29.59

*Notes:*

- (1) The calculation of market capitalization is based on 37,866,600 Shares expected to be in issue immediately following the completion of the Global Offering (assuming the Over-Allotment Option is not exercised) based on the assumptions described above and an Offer Price of HK\$80.0 and HK\$106.0 per Offer Shares, respectively.
- (2) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share are calculated based on 37,866,600 Shares in issue immediately following the completion of the Global Offering without taking into account any Shares which may be issued upon exercise of the Over-allotment Option.
- (3) No adjustment has been made to reflect any trading results or open transactions of the Group entered into subsequent to June 30, 2025. See “Unaudited Pro Forma Financial Information” in Appendix II of this prospectus.

### USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK\$93.0 per H Share (being the mid-point of the Offer Price range stated in this prospectus), will be approximately HK\$306.7 million, after deduction of underwriting fees and commissions and estimated expenses paid and payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

We intend to use the net proceeds of the Global Offering for the following purposes assuming the Offer Price is fixed at HK\$93.0 per H Share (being the mid-point of the indicative Offer Price range): (i) approximately 40.0%, or HK\$122.7 million, will be used for continued research on core technologies for cementing the foundation of our technology capabilities and functions of product and service offerings; (ii) approximately 40.0%, or HK\$122.7 million, will be used to establish and build our R&D technology center and new headquarters; (iii) approximately 10.0%, or HK\$30.7 million, will be used to pursue potential strategic

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## SUMMARY

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investments and acquisition opportunities; and (iv) approximately 10.0%, or HK\$30.7 million, will be used for working capital and general corporate purposes. For more information, see “Future Plans and Use of Proceeds — Use of Proceeds.”

### LISTING EXPENSES

The total listing expenses in connection with the Global Offering are estimated to be approximately HK\$45.5 million (assuming an Offer Price of HK\$93.0 per H Share, being the mid-point of the indicative Offer Price range and not taking into account the Over-allotment Option), among which, (a) approximately HK\$15.7 million is directly attributable to the issuance of H Shares and will be charged to equity upon completion of the Global Offering, (b) approximately HK\$18.8 million (or equivalent to RMB17.1 million) has been charged to our consolidated statement of profit or loss and other comprehensive income during the Track Record Period, and (c) approximately HK\$11.0 million will be charged to our consolidated statement of profit or loss and other comprehensive income subsequent to the end of the Track Record Period. Our total listing expenses account for approximately 12.9% of our gross proceeds from the Global Offering (assuming an Offer Price of HK\$93.0 per H Share, being the mid-point of the indicative Offer Price range and not taking into account the Over-allotment Option). The aforementioned estimated listing expenses of approximately HK\$45.5 million include: (i) underwriting-related expenses (including but not limited to commissions and fees) of approximately HK\$12.0 million, and (ii) non-underwriting related expenses of approximately HK\$33.5 million, which consist of fees and expenses of legal advisors and accountants and other fees and expenses. The aforementioned listing expenses are the latest practicable estimates by us and are provided for reference only and the actual amounts may differ.

### RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period, and up to October 31, 2025, we had entered into sales contracts for seven projects of our urban management solution business in an aggregate contract sum of RMB17.6 million. We are also in the process of negotiating and/or entering into the signing stage of six new projects for urban management solution business and two new projects for energy solution business, as well for engagements with more than three railway bureaus for transportation solution business.

Based on our unaudited management accounts, our revenue and gross profit for the four months ended October 31, 2025 increased as compared to the same period in 2024, with most of the increase in revenue contributed from our urban management solution business.

Our Directors have confirmed that, since June 30, 2025 and up to the Latest Practicable Date and the date of this prospectus, (i) there has been no material adverse change in our results of operation, financial or trading position, indebtedness, contingent liabilities or prospects and no event has occurred that would materially and adversely affect the information shown in our

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## SUMMARY

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consolidated financial statements set out in the Accountants' Report included in Appendix I to this prospectus; and (ii) there has been no material adverse change in our business, the industries in which we operate and/or market or regulatory environment to which we are subject.

Based on our best estimate available as of the Latest Practicable Date, we expect a decrease in our net profit for the year ending December 31, 2025 which is primarily attributable to an expected increase in revenue contribution from urban management solution business which generally had relatively lower gross profit margins as compared to our other businesses that is expected to subsequently bring down our net profit level.

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## DEFINITIONS

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

“affiliate”	with respect to any person, any other person, directly or indirectly, controlling, controlled by or under common control with such person
“AFRC”	the Accounting and Financial Reporting Council
“Articles” or “Articles of Association”	the articles of association of our Company adopted on October 21, 2024 with effect from the Listing Date, as amended from time to time, a summary of which is set out in Appendix V to this prospectus
“Audit Committee”	the audit committee of our Board
“Board”	the board of directors of our Company
“Bojiang Chuangfu”	Lishui Bojiang Chuangfu No. 2 Equity Investment Partnership (Limited Partnership)* (麗水博將創富二號股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on January 10, 2018, being one of our Pre-IPO Investors
“Bojiang Dingsheng”	Lishui Bojiang Dingsheng No. 17 Equity Investment Partnership (Limited Partnership)* (麗水博將鼎昇十七號股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on May 12, 2021, being one of our Pre-IPO Investors
“Bojiang Entities”	collectively, Bojiang Chuangfu, Bojiang Dingsheng, Bojiang Furui, Bojiang Hongda, Bojiang Junjing, Bojiang Tech Innovation, Bojiang Xingyi and Bojiang Yueheng, all being our Pre-IPO Investors
“Bojiang Furui”	Lishui Bojiang Furui Equity Investment Fund Partnership (Limited Partnership)* (麗水博將福睿股權投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on June 19, 2018, being one of our Pre-IPO Investors

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## DEFINITIONS

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“Bojiang Hongda”	Lishui Bojiang Hongda Equity Investment Partnership (Limited Partnership)* (麗水博將弘達股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on March 24, 2022, being one of our Pre-IPO Investors
“Bojiang Junjing”	Lishui Bojiang Junjing Equity Investment Partnership (Limited Partnership)* (麗水博將琚璟股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 10, 2020, being one of our Pre-IPO Investors
“Bojiang Tech Innovation”	Lishui Bojiang Science and Technology Innovation Equity Investment Partnership (Limited Partnership)* (麗水博將科創股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on May 23, 2019, being one of our Pre-IPO Investors
“Bojiang Xingyi”	Lishui Bojiang Xingyi Equity Investment Partnership (Limited Partnership)* (麗水博將興奕股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on May 12, 2021, being one of our Pre-IPO Investors
“Bojiang Yueheng”	Lishui Bojiang Yueheng Equity Investment Partnership (Limited Partnership)* (麗水博將悅恒股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 10, 2020, being one of our Pre-IPO Investors
“Broad General Holding”	Broad General Holding Limited (博將控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on April 16, 2019, being one of our substantial Shareholders
“business day”	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAC”	the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC



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## DEFINITIONS

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“Chairman”	the chairman of our Board
“Chengdu Railway Bureau”	China Railway Chengdu Bureau Group Co., Ltd.* (中國鐵路成都局集團有限公司)
“Chengdu Tongchuang”	Chengdu Tongchuang Zhixing Enterprise Management Consulting Partnership (Limited Partnership)* (成都同創知行企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 2, 2021, being one of our Pre-IPO Investors
“Chengdu Wufa”	Chengdu Wufa Technology Innovation Investment Co., Ltd.* (成都武發科技創新投資有限公司), a limited liability company established under the laws of the PRC on May 26, 2023, being one of our Pre-IPO Investors
“Chengdu Wutongshu”	Chengdu Wutongshu Innovation Venture Capital Partnership (Limited Partnership)* (成都梧桐樹創新創業投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 22, 2021, being one of our Pre-IPO Investors
“Chengyu Fund”	Chongqing Chengyu Tuanjie Lake Strategic Emerging Industry Private Equity Investment Fund Partnership (Limited Partnership)* (重慶市成渝團結湖戰略性新興產業私募股權投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on October 10, 2023, being one of our Pre-IPO Investors
“China” or “PRC”	the People’s Republic of China, which for the purpose of this prospectus only exclude, Hong Kong, Macau and Taiwan
“China Railway Group”	China State Railway Group Co., Ltd.* (中國國家鐵路集團有限公司)

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## DEFINITIONS

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“Chongqing Jiangjin”	Chongqing Jiangjin District Private Equity Investment Fund Partnership (Limited Partnership)* (重慶市江津區私募股權投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on September 19, 2022, being one of our Pre-IPO Investors
“CIC”	China Insights Industry Consultancy Limited
“close associate”	has the meaning ascribed to it under 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” or “our Company”	Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd. (諾比侃人工智能科技(成都)股份有限公司), a limited liability company established under the laws of the PRC on March 6, 2015 with the corporate name of Chengdu Nuobikan Technology Company Limited* (成都諾比侃科技有限公司), and converted into a joint-stock company with limited liability on December 7, 2022
“Concert Parties”	refer to Mr. Liao, Tieke Chuangzhi, Tang Taike (唐泰可), Lin Renhui (林仁輝), Su Maocai (蘇茂才) and Tieke Intelligent
“Concert Party Agreements”	the concert party agreement dated March 10, 2019 and the accession agreement dated November 29, 2019, details of which are set out in “History, Development and Corporate Structure — Concert Party Arrangements” in this prospectus
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent

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## DEFINITIONS

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“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)
“Data Compliance Advisor”	DeHeng Shanghai Law Office, legal advisor to our Company as to PRC data compliance
“Designated Bank”	HKSCC Participant’s EIPO Designated Bank
“Director(s)”	the director(s) of our Company
“ESG”	environmental, social and governance
“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
“FINI” or “Fast Interface for New Issuance”	an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new issues
“General Manager”	the general manager of our Company
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”, “our Group”, “we” or “us”	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
“Guide”	the Guide for New Listing Applicants published by the Stock Exchange, which came to effect on January 1, 2024, as amended from time to time

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## DEFINITIONS

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“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Stock Exchange
“H Share Registrar”	Tricor Investor Services Limited
“Hainan Wangzhong”	Hainan Wangzhong Investment Partnership (Limited Partnership)* (海南望眾投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on October 27, 2021, being one of our Pre-IPO Investors
“Haitang Dongsheng”	Chengdu Haitang Dongsheng Technology Co., Ltd.* (成都海棠東升科技有限公司), a limited liability company established under the laws of the PRC on June 6, 2023, being one of our subsidiaries
“HK eIPO White Form”	the application of the Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website at <a href="http://www.hkeipo.hk">www.hkeipo.hk</a>
“HK eIPO White Form Service Provider”	the <b>HK eIPO White Form</b> service provider designated by our Company, as specified in the designated website at <a href="http://www.hkeipo.hk">www.hkeipo.hk</a>
“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 HKSCC Participant to give <b>electronic application instructions</b> 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

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## DEFINITIONS

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“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 People’s Republic of China
“Hong Kong dollar” or “HK dollar” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the 378,700 H Shares initially offered for subscription pursuant to the Hong Kong Public Offering, subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus
“Hong Kong Stock Exchange” or “Stock Exchange”	the Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong Public Offering”	the offering by our Company of the Hong Kong Offer Shares for subscription by the public in Hong Kong, as further described in the section headed “Structure of the Global Offering” in this prospectus
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated December 12, 2025 relating to the Hong Kong Public Offering and entered into by our Company, our Controlling Shareholders and the Hong Kong Underwriters, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement” in this prospectus
“IEEPA”	International Emergency Economic Powers Act
“Independent Third Party(ies)”	party or parties that, to the best of our Directors’ knowledge, information and believe, having made all reasonable enquiries, is or are not our connected person(s), within the meaning of the Listing Rules

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## DEFINITIONS

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“International Offer Shares”	the 3,407,900 H Shares initially offered for subscription pursuant to the International Offering, subject to the Over-allotment Option and reallocation as described in the section headed “Structure of the Global Offering” in this prospectus
“International Offering”	the conditional placing of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in reliance on Regulation S, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the group of underwriters, led by the Sole Overall Coordinator, that is expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement expected to be entered into by the International Underwriters and our Company in respect of the International Offering
“Jiaxing Jiuqian”	Jiaxing Jiuqian Venture Capital Partnership (Limited Partnership)* (嘉興九乾創業投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on January 10, 2022, being one of our Pre-IPO Investors
“Latest Practicable Date”	December 6, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about Tuesday, December 23, 2025, on which the H Shares are listed and on which dealings in the H Shares are first permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Macau”	the Macao Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Mr. Liao”	Mr. Liao Yu (廖峪), our Chairman, executive Director and one of our Controlling Shareholders
“Nomination Committee”	the nomination committee of our Board
“Nuobikan Chongqing”	Nuobikan Artificial Intelligence Technology (Chongqing) Co., Ltd.* (諾比侃人工智能科技(重慶)有限責任公司), a limited liability company established under the laws of the PRC on July 2, 2024, being one of our subsidiaries
“Offer Price”	the final offer price per Offer Share in Hong Kong (exclusive of brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee) of not more than HK\$106.0 and expected to be not less than HK\$80.0 at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering, to be determined in the manner further described in the section headed “Underwriting” in this prospectus
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares, collectively, and where relevant, together with any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option expected to be granted by our Company to the International Underwriters, exercisable at the sole discretion of the Sole Overall Coordinator (for itself and on behalf of the International Underwriters) pursuant to which our Company may be required to allot and issue up to 567,950 H Shares at the Offer Price (representing approximately 15.0% of the Offer Shares initially being offered under the Global Offering) to cover over-allocation in the International Offering. For more details, please refer to the section headed “Underwriting” in this prospectus
“PBOC”	the People’s Bank of China (中國人民銀行)
“Peikun Investment”	Chengdu Peikun No. 3 Equity Investment Partnership (Limited Partnership)* (成都沛坤叁號股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 11, 2023, being one of our Pre-IPO Investors

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## DEFINITIONS

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“PRC Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》)
“PRC Legal Advisor”	Beijing DeHeng Law Offices, our legal advisor as to PRC laws
“Pre-IPO Investment(s)”	the investment(s) in our Company undertaken by the Pre-IPO Investor(s) pursuant to the respective agreements, details of which are set out in “History, Development and Corporate Structure — Corporate Development of our Company — Pre-IPO Investments” in this prospectus
“Pre-IPO Investor(s)”	the investors from whom our Company obtained Pre-IPO Investments, details of which are set out in “History, Development and Corporate Structure — Corporate Development of our Company — Pre-IPO Investments” in this prospectus
“Price Determination Agreement”	the price determination agreement to be entered into between our Company and the Sole Overall Coordinator (for itself and on behalf of the Underwriters) on the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be on or around Friday, December 19, 2025 but in any event not later than 12:00 noon on Friday, December 19, 2025, on which the Offer Price will be determined for the purposes of the Global Offering
“prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“province”	for the purpose of this prospectus only, refers to a province, a provincial-level autonomous region or a municipality of the PRC
“Pufeng Investment”	Beijing Pufeng Yunhua Emerging Industry Entrepreneurship Investment Center (Limited Partnership)* (北京普豐雲華新興產業創業投資中心(有限合夥)), a limited partnership established under the laws of the PRC on May 12, 2017, being one of our Pre-IPO Investors



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## DEFINITIONS

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“Receiving Bank”	CMB Wing Lung Bank Limited
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Persons”	the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or our Company’s respective directors, advisers, officers, employees, agents or representatives or any other person or party involved in the Global Offering
“Remuneration Committee”	the remuneration committee of our Board
“Reporting Accountants”	Ernst & Young
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rongchuang Zibo”	Rongchuang (Zibo) Equity Investment Partnership (Limited Partnership)* (蓉創(淄博)股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on April 19, 2022, being one of our Pre-IPO Investors
“SAFE”	the State Administration for Foreign Exchange (國家外匯管理局)
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“SAT”	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SCNPC”	the Standing Committee of the National People’s Congress (全國人民代表大會常務委員會)
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

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## DEFINITIONS

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“Shanghai Bojiang”	Shanghai Bojiang Investment Management Co., Ltd.* (上海博將投資管理有限公司), a limited liability company established under the laws of the PRC on September 8, 2005, being one of our substantial shareholders
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.0 each, consisting of Unlisted Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Sole Overall Coordinator”	China International Capital Corporation Hong Kong Securities Limited
“Sole Sponsor”	China International Capital Corporation Hong Kong Securities Limited
“Stabilizing Manager”	China International Capital Corporation Hong Kong Securities Limited
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of our Board
“Supervisor(s)”	the supervisor(s) of our Company
“Supervisory Committee”	the supervisory committee of our Company
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Tieke Chuangzhi”	Chengdu Tieke Chuangzhi Enterprise Management Partnership (Limited Partnership)* (成都鐵科創智企業管理合夥企業(有限合夥)), a limited partnership established in PRC on January 7, 2019, being one of our Controlling Shareholders

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## DEFINITIONS

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“Tieke Intelligent”	Chengdu Tieke Intelligent Enterprise Management Partnership (Limited Partnership)* (成都鐵科智能企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 29, 2019, being one of our Controlling Shareholders
“Track Record Period”	the period comprising the financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025
“U.S. Export Control and U.S. Foreign Investment Legal Advisor”	DLA Piper Singapore Pte. Ltd., our legal advisor as to U.S. export control and U.S. foreign investment laws
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“United States” or “U.S.”	the United States of America
“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.0 each, which is/are not listed on any stock exchange
“VAT”	value-added tax
“Wangzhong Mingxin”	Hainan Wangzhong Mingxin Venture Capital Partnership (Limited Partnership)* (海南望眾明信創業投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on July 22, 2022, being one of our Pre-IPO Investors
“Yayi Innovation Investment”	Yayi Venture Capital (Wuyi) Co., Ltd.* (雅藝創業投資(武義)有限公司), a limited liability company established under the laws of the PRC on February 21, 2022, being one of our Pre-IPO Investors

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## DEFINITIONS

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“Youjia Dongsheng”	Beijing Youjia Dongsheng Technology Co., Ltd.* (北京有家東升科技有限公司), a limited liability company established under the laws of the PRC on February 11, 2022, being one of our subsidiaries
“Zhonggui Railway”	Chengdu Zhonggui Railway Equipment Co., Ltd.* (成都中軌軌道設備有限公司), a limited liability company established under the laws of the PRC on September 19, 2017, being one of our subsidiaries
“Zhongzhou Chuangzhi”	Deyang Zhongzhou Chuangzhi Technology Co., Ltd.* (德陽中州創智科技有限公司), a limited liability company established under the laws of the PRC on July 24, 2019, being one of our subsidiaries

*Unless otherwise expressly stated or the content otherwise requires, in this prospectus:*

- *all times refer to Hong Kong time and references to years in this prospectus are to calendar years;*
- *the terms “associate(s)”, “close associate(s)”, “connected person(s)”, “core connected person(s)”, “connected transaction(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings ascribed to such terms in the Listing Rules; and*
- *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 figures preceding them.*

*The English names of the PRC entities, laws, rules, regulations, nationals, entities, governmental authorities, institutions, facilities, certificates and titles etc. mentioned in this prospectus, are translations from their Chinese names and are for identification purpose only.*

*If there is any inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.*

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## GLOSSARY OF TECHNICAL TERMS

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*This glossary contains explanations of certain terms, definitions and abbreviations used in this prospectus in connection with our Group and our business. The terms and their meanings may not correspond to standard industry meaning or usage of those terms.*

“2C” or “2C System”	Catenary-Checking Video Monitor Device (2C) (接觸網安全巡檢裝置), a specialized device system within the 6C System, which focuses on general safety monitoring of catenary components by detecting issues such as detachment, breakage, or environmental obstacles that could obstruct train operations
“3D”	three-dimensional
“3D reconstruction”	the process of capturing, and reconstructing with computers, the 3D shape and appearance of real objects
“4C” or “4C System”	High Precision Catenary-Checking Monitor Device (4C) (接觸網懸掛狀態檢測監測裝置), a specialized device system within the 6C System, which uses advanced technologies to monitor and inspect the suspension status and geometric parameters of catenaries, providing precise assessments of technical aspects and identifying defects
“6C System”	the traction power supply inspection and detection system for railways in China
A-CDM	airport collaborative decision making, a process-driven management system that enhances airport operational efficiency and flight punctuality by sharing information to facilitate collaborative decision-making among various stakeholders
“AI”	artificial intelligence, simulation of human intelligence in machines, enabling them to perform tasks such as learning, reasoning, and problem-solving autonomously
“AI+”	the application of AI technologies across various industries to enhance efficiency, decision-making, and innovation, creating smarter, data-driven solutions

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## GLOSSARY OF TECHNICAL TERMS

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“AI industry model”	a set of methodologies and solutions that apply AI technologies to solve industry-specific problems and to enhance efficiency and create new value within particular industry-specific application scenarios. In the context of our business, an AI industry model refers to the aggregate of algorithm modules that tailors to the utilization in a specific business scenario
“AI model”	mathematical algorithms which can take unstructured data as input and transform them into informative outputs through its “intelligence”, namely, the capability of perceiving the world, transcribing and organizing information, enhancing or generating contents, or making decisions
“algorithm”	a procedure or formula for solving a problem, based on conducting a sequence of specific actions, especially by a computer
“algorithm module”	a self-contained component or set of instructions within an AI system that performs a specific task or a series of tasks. These modules are designed to handle particular aspects of data processing, analysis, or decision making that are relevant to the business scenario they are intended for and they are typically modular, reusable, and scalable, facilitating integration with other components within the AI system to achieve broader objectives
“API”	application programming interface, a computer programming approach for facilitating exchange of information and executing instructions between different computer systems
“architecture”	the structure under which an information system’s hardware, software, data and communication capabilities are put together
“beyond visual range”	refers to the distances exceeding a human’s direct line of sight
“big data”	large, complex data sets that traditional tools can’t process efficiently, requiring specialized techniques to analyze and extract insights

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## GLOSSARY OF TECHNICAL TERMS

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“BIM”	building information modelling, a process involving the creation and management of digital representations of buildings and their components, supporting their lifecycle from design and construction to operation and maintenance. It facilitates collaboration among project stakeholders by providing a shared, information-rich 3D model
“CAGR”	compound annual growth rate, referring to the year-over-year growth rate, which is calculated by taking the nth root of the total percentage growth rate over a specified period of time. The formula for calculating CAGR is: $(\text{Ending Value}/\text{Beginning Value})^{(1/\text{number of years})}-1$
“catenary” or “catenary wire”	In the context of railway traction power supply, “catenary” refers to the system of wires and supporting structures through which electrical power is transmitted to electric locomotives and multiple units. The term originates from the Italian “catena”, meaning chain, and it is used because the system visually resembles a chain or series of interconnected curves
“cloud”	a network of remote servers hosted on the internet or intranet and used to store, manage, and process data in place of local servers or personal computers
“cloud computing”	the practice of storing computer data and programs on multiple servers that can be accessed through the internet
“computer vision”	a field of AI that allows computers to analyse and interpret visual information from images or videos, which enables them to recognize objects, scenes and activities. Compared to the concept of machine vision, computer vision aims to mimic human visual understanding whereas machine vision is more for the context of automating specific industrial tasks
“computing power”	the ability of a computer to perform computing tasks
“COVID-19”	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2

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## GLOSSARY OF TECHNICAL TERMS

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“Data Center”	a distributed IDC typically built by a power grid operator based on the physical location of an existing substation or distribution station
“deep learning”	a subset of AI and machine learning that mimics the working of biological neural systems such as human brains and uses multi-layered neural networks to deliver state-of-the-art accuracy in tasks such as object detection and recognition, speech recognition and natural language processing. Deep learning differs from traditional machine learning techniques in that it can automatically learn representations from data such as images, video or text, without introducing hand-coded rules or human domain knowledge. Its highly flexible architecture can learn directly from raw data and can increase its predictive accuracy when provided with some data
“digital twins”	virtual models of physical objects or systems that simulate their behavior in real-time, allowing for monitoring and optimization
“domain-specific”	knowledge, data, model, requirements etc that are unique to a particular industry, business sector or application scenario, and which may not be applicable or transferable to other industry, business sector or application scenario
“federated learning model” or “federated learning”	a distributed machine learning model trained across multiple devices or servers without a central data repository
“HD”	high definition, a level of image or video quality that is significantly higher than standard-definition (SD)
“IDC”	internet data centers, physical facilities that house data servers and other IT infrastructure
“image recognition”	a technology that uses computers to process, analyze and understand images in order to recognize targets in a variety of different patterns



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## GLOSSARY OF TECHNICAL TERMS

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“IoT”	Internet of Things, the extension of internet connectivity into physical devices and everyday objects whereby a network of interconnected devices collect and exchange data in real-time, enabling seamless automation and communication between devices
“IT”	information technology
“large model”	a machine learning model with a vast number of parameters, that are typically constructed from deep neural networks and are designed to handle complex tasks and large datasets across various fields such as natural language processing, computer vision, speech recognition, and recommendation systems.
“machine learning”	a subset of AI focused on developing algorithms that allow machines to learn from data and improve their performance over time without explicit programming for each task
“machine vision”	a subset of AI technology involving the use of cameras and computer algorithms to enable machines to interpret and process visual information especially in the context of industrial automation and robotics for tasks such as inspection, measurement, and navigation, typically with a high degree of automation and accuracy
“machine vision key points”	specific areas or elements within a visual scene that are targeted by AI algorithms for monitoring and analysis
“multimodal”	when used to describe an AI model, refers to an AI system capable of processing and integrating information from multiple data types or sources, such as text, images, and audio, to enhance decision-making and understanding
“natural language processing”	a subfield of linguistics, computer science and AI primarily consisted of natural language understanding and natural language generation and concerned with the interactions between computers and human language, in particular how to program computers to process and analyze large amounts of natural language data
“OCR”	optical character recognition

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## GLOSSARY OF TECHNICAL TERMS

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“open-source”	a source code that is made freely available for possible modification and redistribution
“R&D”	research and development
“sensor”	a device, module, machine, or subsystem whose purpose is to detect events or changes in its environment and send the information to other electronics, frequently a computer processor
“simulation” or “simulation technology”	tools and methods that create digital representations of real-world processes to analyze behavior and predict outcomes
“SMS”	short message service, a basic communication technology for mobile data transfer and is characterized by the exchange of short alphanumeric text messages between digital line and mobile devices
“sq.m.”	square meter
“Turing Test”	a test proposed by Alan Turing to determine if a machine exhibits intelligent behavior indistinguishable from that of a human

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## FORWARD-LOOKING STATEMENTS

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This prospectus contains certain statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believe(s)”, “aim(s)”, “estimate(s)”, “plan(s)”, “project(s)”, “anticipate(s)”, “expect(s)”, “going forward”, “intend(s)”, “may”, “might”, “seek(s)”, “can”, “could”, “ought to”, “potential”, “will” or “should” or similar expressions, or, in each case, their negative or other variations, or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. In particular, references to “estimate(s)” only refer to situations where best estimates have been adopted by the management. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus and include, but are not limited to, statements regarding our intentions, beliefs or current expectations concerning, among other things, our business, results of operations, financial position, liquidity, prospects, growth, strategies and the industries and markets in which we operate or may operate in the future.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance or the actual results of our operations, financial position and liquidity. The development of the markets and the industries in which we operate may differ materially from the description or implication suggested by the forward-looking statements contained in this prospectus. In addition, even if our results of operations, financial position and liquidity as well as the development of the markets and the industries in which we operate are consistent with the forward-looking statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation:

- our operations and business prospects;
- our ability to maintain and enhance our market position;
- our future business development, financial condition and results of operations;
- our ability to successfully implement our business plans and strategies;
- the competitive landscape for our business and the development and actions of our existing and future competitors;
- general political, economic, legal and social conditions and government policies in the PRC and other jurisdictions;
- our proposed use of proceeds from the Global Offering;
- our future capital needs and capital expenditure plans;

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## FORWARD-LOOKING STATEMENTS

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- our dividend payout;
- other statements in this prospectus that are not historical facts; and
- other factors beyond our control.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statement in this prospectus reflect our management's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions. Investors should specifically consider the factors identified in this prospectus, which could cause actual results to differ, before making any investment decision. Subject to the requirements of the Listing Rules and except as may be required by applicable law, we undertake no obligation to revise any forward-looking statements that appear in this prospectus to reflect any change in our expectations, or any events or circumstances, that may occur or arise after the date of this prospectus. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

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## RISK FACTORS

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*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” section, before deciding to invest in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such event, the market price of our H Shares could decline, 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 is as of the Latest Practicable Date unless otherwise stated, and will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this prospectus.*

### **RISKS RELATED TO OUR BUSINESS AND INDUSTRY**

**The industries in which we operate are constantly changing. If we fail to continuously develop and innovate our products and services to meet the constant changes of our industries or customers’ evolving needs, we may not be able to retain existing customers, attract new customers or increase sales.**

China’s AI+ solutions industries in which we operate are characterized by constant changes, including rapid technological evolution, frequent introductions of new products and services, continual shifts in customer demands and constant emergence of new industry standards and practices. Our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. We need to develop expertise across different industry sectors, adapt our products and services for different industry verticals, stay abreast of the continuously evolving industry trends and rapid technological developments, and constantly anticipate the emergence of new technologies and assess their market acceptance. We also need to invest significant resources, including financial resources, in research and development to lead technological advances in order to keep our products and services innovative, commercially viable and competitive in the market.

However, we may not be able to leverage new technologies effectively or adapt our product and services to meet customer needs or emerging industry standards and practices. 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 technological, legal, financial or other reasons. Moreover, uncertainties regarding the timing and nature of the development of AI technologies, or modifications to existing solutions or technologies, could impose further challenges to our research and

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## RISK FACTORS

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development. As our success will depend on our ability to continuously identify, develop, acquire or protect advanced and new technologies that are valuable to our solutions, failure to do so could render our existing solutions obsolete and unappealing, thereby adversely affecting our business prospects.

In addition, our business growth also relies on our ability to identify and anticipate the needs of our customers and develop products and services that meet their demands. Our ability to retain existing customers, attract new customers, and increase sales to both new and existing customers will depend on a number of factors. In addition to the effectiveness of our sales and marketing efforts, it also depends, to a large extent, on our ability to provide products and services that meet our customers' requirements, including more advanced products and services that address the needs of our customers at competitive prices, the strength of our technology, and our ability to continue improving and enhancing the functionality, performance, reliability, design, security and adaptability of our products and services. Moreover, our products and services are not offered on a recurring subscription basis. As a result, we may not be able to effectively retain our customers after the initial sale. Our customers may purchase additional products and services from us as they are in need of more AI applications for new use cases and/or increase usage or functionality in existing use cases.

To the extent we are not able to provide products and services that meet our customers' new and evolving needs and requirements, or we are not able to improve and enhance our products and services in a manner that responds to our customers' evolving needs, our existing customers may not spend more on our products and services, and we may not be able to attract new customers, under which circumstances our business, financial condition, results of operations, and prospects may be materially and adversely affected.

**The AI+ solutions industries in which we operate are highly competitive and fragmented. If we fail to compete effectively, our business, financial condition and results of operations may be materially and adversely affected.**

The industries in which we operate are highly competitive and fragmented. We primarily compete with other companies that focus on developing and commercializing AI+ technologies. With respect to each industry vertical that we have entered into, we also compete against existing players with no specific AI capabilities in such vertical as they may develop and improve their own AI algorithms for their comprehensive product suites. Our competitors may have longer corporate operating history, or have or in the future gain more financial resources and sophisticated technological capabilities and broader customer base and relationships than us. In addition, as we expand into new areas, the basis for competition will be different and we are likely to face additional competitors, including in-house AI technology development of our customers and prospective customers. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or customer demand than us.

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## RISK FACTORS

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We may also face competition from new entrants who may offer lower prices or new technologies and products, and thus increase the level of competition in the future. Such new entrants may include better-established technology companies that possess substantial financial resources, sophisticated technological capabilities and broad distribution channels. Furthermore, we may face competition from global technology companies that seek to enter the China market, whether independently or through formation of strategic alliances with, or acquisition of, AI companies in China.

Increased competition could result in lower sales, price reductions, reduced margins or loss of market share. Further, we may be required to make substantial additional investments in research, development, marketing and sales, recruiting and retaining top AI scientists and innovative talents, and acquiring technologies complementary to, or necessary for, our current and future products in order to respond to such competitive threats, and we cannot assure you that such measures will be effective. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, financial condition and results of operations may be materially and adversely affected.

**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 solutions by the society.**

AI technologies are constantly evolving. To remain competitive in the AI industry, we must continue to stay abreast of rapid technological developments and continuously evolving industry trends. We have invested significantly in our research and development and made other efforts in response to these constant changes, but we can make no assurance that these efforts 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 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 detections, analysis or recommendations that our AI solutions assist in producing are deficient or inaccurate, we could be subject to competitive harm, potential legal liability, and ethical or reputational harm. Any flaws or deficiencies in our AI technologies 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 solutions, may

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## RISK FACTORS

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impair the general acceptance of AI solutions by the society, attract negative publicity and adversely impact our reputation. It may even violate applicable laws and regulations in the PRC 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.

**We recorded net operating cash outflows during the Track Record Period and may need to obtain additional financing to fund our operations which may not be obtained on favorable terms or at all.**

We recorded net cash flows used in operating activities of RMB80.6 million and RMB99.9 million in 2022 and 2023, respectively, as well as net cash flows from operating activities of RMB40.2 million and RMB84.4 million in 2024 and the six months ended June 30, 2025, respectively. We expect to continue to spend substantial amounts of capital on conducting research and development activities, commercializing our products and services and responding to unforeseen circumstances.

We believe that our future abilities to achieve profitability and generate positive operating cashflow will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective monetization strategies, compete effectively and successfully, and continuously grow our customer base and revenues in a cost-effective way by improving our operational efficiency. However, the foregoing efforts may take a long time to realize returns, and we may therefore continue to have net cash outflows from operating activities in the future.

We have historically funded our cash requirements additionally with capital contribution from shareholders and financing through bank borrowings. In the event that our existing capital resources fail to sufficiently cover our overall cash needs, we will need further funding through public or private offerings, debt financing, governmental subsidies, and/or other sources. Our ability to obtain additional capital in the future is, however, subject to a number of uncertainties, including those relating to our future business development, financial condition and results of operations, general market conditions for financing activities by companies in our industry and macro-economic and other conditions in China and globally. If we cannot obtain sufficient capital to meet our capital needs, we may not be able to execute our growth strategies, and our business, financial condition and prospects may be materially and adversely affected. Accordingly, you should not rely on our historical results of operations as an indication of our future performance. We also expect our costs and expenses to significantly increase in future periods as we continue to expand our business and operations. In addition, we expect to incur substantial costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our costs and expenses, we may continue to have significant cash outflows in operating activities in the future or even to incur net losses, and we may not be able to achieve or subsequently maintain profitability.



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## RISK FACTORS

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**We have a limited operating history and 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.**

We have a relatively limited operating history and we achieved substantial growth during the Track Record Period. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our total revenue was RMB252.6 million, RMB363.7 million, RMB402.6 million, and RMB231.6 million, respectively.

However, our historical growth may not be indicative of our future performance and we cannot assure you that this level of significant growth will be sustainable or achievable in the future. Our growth prospects should be considered in light of the risks and uncertainties that fast-growing companies with a limited operating history may encounter, including, among others, risks and uncertainties regarding our ability to:

- maintain and upgrade our universal AI infrastructure;
- upgrade our AI platforms and develop new technologies;
- further commercialize our AI products and services;
- retain existing customers and attract new customers to purchase our products and services;
- expand into new industry verticals or sub-segments and launch new products and services;
- further expand into international markets;
- increase brand awareness through marketing and promotional activities;
- successfully compete with other companies that are currently in, or may in the future enter, the industries and verticals we have entered;
- attract, retain and motivate talented employees, including research and development talents as well as staff with in-depth industry know-how;
- adapt to evolving regulatory environment;
- manage our costs and enhance operating leverage; and
- defend ourselves against litigation, regulatory, intellectual property, privacy, data protection or other claims.

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## RISK FACTORS

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In addition, the pace at which we recognize our revenue for some of our businesses may be affected by factors such as timing differences in customers' acceptance of our products and solutions, project implementation phases and/or varied fund allocation plan by the end customers, as well as varied pricing strategies adopted by us where needed. As such, despite of our overall business growth, we may from time to time experience fluctuations with respect to revenue contribution from, and profitability level of, our various business lines, or shifting in changes in the revenue contribution from, or profitability level for sales to, our major customers or through different sales channels from period to period. For instance, we had experienced a decrease in gross profit margin of transportation solution business and for sales to distributors in 2024 as compared to other years of the Track Record Period. We also experienced during the Track Record Period fluctuations in the gross profit margins of our energy solution business and urban management solution business due to, among others, their project-based nature. Moreover, our urban management solution business generally has relatively lower gross profit margins compared to our other business lines. If revenue contribution from business segment of lower gross profit margins increases, it may exert downward pressure on the overall gross profit margin. For more details, see "Financial Information — Description of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Line Items — Gross profit and gross profit margin." Such changes may negatively impact our results of operation, profitability, financial condition and prospects.

Furthermore, our growth rates may also be affected by a number of other factors, including China's overall economic growth, the ongoing digitalization of China's economy, technology development of the AI industry, accumulation of AI experts in China, as well as awareness of enterprises to deploy AI applications.

All of these endeavors involve risks and may require significant research and development costs and expenses, operating expenses and capital expenditures and allocation of valuable management and employee resources. 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 and services 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.

**If either the growth of AI technology commercialization or the usage of AI and other products and services in industry verticals we focus on or expand into does not meet expectation, or if the price or profit margin of our products and services decrease in the future, our business, prospects and growth momentum may be materially and adversely affected.**

Leveraging our market position in the AI+ solutions market and our core technologies, we are able to provide innovative AI-empowered solutions to address diversified needs of our customers across different industry verticals or expand into more industry sub-segments under existing industry verticals. We have a track record of successfully expanding into new industry verticals and sub-segments. We cannot assure you, however, that we will be able to maintain this momentum in the future.

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## RISK FACTORS

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Market expansion for AI+ solutions products and services in China depends on a number of factors, including the growth in the application of AI in various industry verticals, the prevalence of existing AI related products and services, as well as the performance and perceived value associated with such products and services. If AI products and services do not achieve widespread acceptance, or there is a reduction in demand for such products or services caused by weakening economic conditions, decreases in corporate spending, technical challenges, data security or privacy concerns, governmental regulation, competing technologies and products or services or otherwise, our business, growth prospects and results of operations will be materially and adversely affected.

As such, expanding into new industry verticals or sub-segments involves new risks and challenges. We may face challenges brought by demands for highly customizable applications. Whether potential customers accept our products and services depends, to a large extent, on their level of awareness of our product and service offerings and the widespread use of similar products and services. We cannot assure you that the trend of adopting and utilizing such products and services by potential customers will continue in the future. In addition, unfamiliarity with new industries may make it more difficult for us to keep pace with evolving customer 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. Moreover, with the continuous development of AI technology and commercialization of the relevant AI products and services, any potential future decrease in growth of the AI related markets or the price and profit margin of our AI products and services could result in material and adverse change to our business, growth and prospects. We could also be subject to additional regulatory restrictions that are relevant to these businesses. Expansion into any new industry verticals or sub-segments 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 expect to incur significant capital expenditures for our business operations and expansion plans, which may adversely affect our short-term cash flow, liquidity and profitability.**

We expect to incur significant capital expenditures for investing in our AI infrastructure to enhance our AI capabilities, especially for our potential expansion into more industry verticals or sub-segments. We plan to establish our R&D technology center and new headquarters which are an integral part of our overall AI infrastructure and requires significant capital expenditure. See “Future Plans and Use of Proceeds” for more details. Inherent risk exists for such significant capital expenditures as our investment may not succeed or generate the benefits that we expect, which could materially affect our profitability. Even if we achieve our goals for such investment, our short-term cash flow and liquidity may be adversely affected. While we intend to explore alternative arrangements to reduce the capital intensity of any future expansion, there is no assurance this will be successful.

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## RISK FACTORS

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We launched our AI infrastructure embodied by the NBK-INTARI AI Platform to enrich our offerings and to more efficiently serve our customers. However, our efforts to continue to improve and optimize our AI infrastructure may not succeed. The markets for certain of our offerings remain relatively new, and it is uncertain whether our efforts, and related investments, will ever result in significant revenue for us. Further, the introduction of significant technology changes and upgrades and introduction of new products and services may not be successful, and early-stage interest and adoption of such new products and services may not result in long-term success or significant revenue for us.

**We are investing heavily in our research and development, 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 research and development efforts. We incurred considerable amount of research and development expenses during the Track Record Period which amounted to RMB44.5 million, RMB56.6 million, RMB59.6 million, and RMB22.7 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, representing 17.6%, 15.6%, 14.8%, and 9.8% of our total revenue, respectively. The increase in the research and development expenses during the Track Record Period for 2023 and 2024 was mainly due to (i) the increase in salaries and benefits of our R&D staff over such years, (ii) the increase in data-related service fees from 2022 to 2023 mainly in relation to fees paid to outsourced data related service providers for data collection, cleansing, rendering and annotation, and (iii) the increase in depreciation and amortization from 2023 to 2024 mainly in relation to amortization of intangible assets for our R&D activities.

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 research and development to lead technological advancement in order to make our products and services innovative and competitive in the market. As a result, we expect that our research and development expenses will continue to increase in absolute amount. We had recorded net cash outflows in operating activities during the Track Record Period, partially due to the significant investment in research and development. Furthermore, research and development activities are inherently uncertain, and we might encounter practical difficulties in commercializing our research and development results. Our significant expenditures on research and development may not generate corresponding benefits. Given the fast pace with which the technology has been and will continue to develop, we may not be able to timely upgrade our technologies in a cost-effective and timely manner, or at all. New technologies in our industries could render our technologies, our technological infrastructure or solutions that we are developing or expect to develop in the future obsolete or unattractive, thereby limiting our ability to recover related research and development costs and expenses, which could result in a decline in our revenues, profitability and market share.

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## RISK FACTORS

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**We may be subject to complex and evolving laws and regulations and governmental policies regarding cybersecurity, privacy and data protection. Actual or alleged failure to comply with such laws and regulations could damage our reputation, deter current and potential customers from accessing our products and services and subject us to risks of litigation or administrative penalties or other significant legal, financial and operational consequences.**

In recent years, cybersecurity, privacy and data protection have become an increasing regulatory focus of government authorities across the world. The PRC government has enacted a series of laws, regulations and governmental policies on cybersecurity, privacy and data protection in the past few years, to which our business may be subject. For further details, see “Regulatory Overview — Laws and Regulations in relation to the Protection of Cyber Security, Data and Privacy” and “Business — Data Privacy and Security.”

As the regulatory requirements on privacy and data protection are relatively new and complex, and may therefore continue to evolve, we cannot assure you that our privacy and data protection measures are, and will be, always considered sufficient under applicable laws and regulations. In addition, some provisions under certain laws and regulations still remain at the principle level and lack specific interpretation up to date, especially to a specific case scenario. Additionally, the effectiveness of our privacy and data protection measures is also subject to system failures, interruptions, inadequacy, security breaches or cyberattacks. Moreover, as the customers that we serve may expand their footprints globally, they may leverage our products and services in other countries or territories outside the PRC, which may thus subject us to laws and regulations regarding privacy and data protection in such jurisdictions. Any failure or perceived failure by us to comply with applicable laws and regulations on cybersecurity, privacy and data protection may result in governmental investigations, inquiries, enforcement actions and prosecutions, private claims and litigation, fines and penalties, adverse publicity or potential loss of business, which could damage our reputation, deter current and potential customers from accessing or using our products or services, lead to suspension of our non-compliant operations, and revocation of relevant business permits or licenses or otherwise subject us to significant legal, financial and operational consequences.

We expect that there may continue to be newly proposed laws, regulations, rules and industry standards concerning cybersecurity, privacy and data protection. As a result, we may be required to upgrade or adjust our products and services to ensure continuous compliance. However, the relevant developments in regulatory requirements and standards may increase our costs of compliance, delay or reduce demand for our products and services, and affect the way in which we operate, any of which could harm our business, financial condition and results of operations.

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## RISK FACTORS

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**Our business accesses and processes a large amount of business and operation data, and the improper collection, hosting, use or disclosure of such data could harm our reputation and have a material adverse effect on our business and prospects.**

We access and process large volumes of business and operation data, such as images and video, in connection with our business operations. This makes us an attractive target of, and potentially vulnerable to, cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions.

We face certain challenges and risks inherent to handling and protecting a large volume of data including but not limited to:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties, data leakage or fraudulent behavior or improper use by our employees or our customers and partners;
- addressing concerns, challenges, negative publicity and litigations related to data security and privacy, collection, use and actual or perceived sharing (including sharing among our own businesses, with our customers and partners or competent regulatory authorities), safety, security and other factors that may arise from our existing businesses or new businesses and technology, such as new forms of data; and
- complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of data, including requests from data subjects and compliance requirements in accordance with applicable laws and regulations.

The improper collection, use or disclosure of data could result in a loss of customers and partners, loss of confidence or trust in our technology solutions, litigations, regulatory investigations, penalties or actions against us, significant damage to our reputation, any of which could in turn have a material adverse impact on our business, financial condition, results of operations and prospects. For instance, we may obtain data from our customers or engage third party data service providers to collect or process data. If these data were not provided to us on a continuous basis or such data are defective, or if such data were collected by third party data service providers from unauthorized sources, not only would our development of technologies, provision of products and services or our business prospects be adversely affected, we would also face potential litigation or claims if third party rights are infringed from the collection or processing of such data.

Furthermore, our back-up systems, disaster recovery mechanisms and various technology measures deployed to safeguard our data security may not function as we expect or could be breached. Because the technologies and mechanisms used to sabotage or obtain unauthorized

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## RISK FACTORS

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access to systems change frequently and generally are not recognizable until they are launched against a target, we may be unable to anticipate for, or to implement adequate preventative measures against, such technologies and mechanisms.

Any accidental or willful security breaches or other unauthorized access could cause confidential information to be stolen and used for improper or criminal purposes. Moreover, if we fail to implement adequate encryption of data transmitted through the networks of the telecommunications and network operators we rely upon, there is a risk that telecommunications and network operators or their business partners may misappropriate the data. Security breaches or unauthorized access to confidential information could also expose us to liabilities related to the loss of the information, time-consuming and expensive litigations and other regulatory and legal proceedings, as well as negative publicity. If security measures are breached because of third party action, employee error, malfeasance or other similar factors, or if design flaws in our technology infrastructure are exposed and exploited, our relationships with our customers and partners could be severely damaged and we could incur significant liabilities or subject to legal or regulatory actions that may materially and adversely affect our business, financial condition, results of operations and prospects. In addition, concerns about our practices with regard to security of confidential information or other privacy-related matters, such as cybersecurity breaches, misuse of personal data and data sharing without necessary safeguards, even if unfounded, could damage our reputation and operating results. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material incidents of cyberattacks or data security breaches. However, if any of the foregoing risks materializes, our business, financial condition, results of operations and prospects may be materially and adversely affected.

### **We had a concentration of customers during the Track Record Period.**

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the percentage of our revenue attributable to our largest customer in each year or period of the Track Record Period amounted to 27.8%, 30.5%, 28.2%, and 50.1%, respectively, while the percentage of our revenue attributable our five largest customers in each year or period of the Track Record Period amounted to 61.1%, 85.9%, 66.6%, and 74.2%, respectively. Our five largest customers in each year or period of the Track Record Period were mainly distributors for our transportation solution business and direct customers and system integrators for energy solution business and urban management solution business. For further details, see “Business — Customers and Customer Support — Top Five Customers.”

We cannot assure you that there will not be any dispute between our major customers and us, or that we will be able to maintain business relationships with our existing customers. As a substantial amount of revenues were generated from a relatively small number of major customers during the Track Record Period, in the event that the existing major customers cease to engage us for our products and services, and we are unable to find new customers with similar attributable revenue within a reasonable period of time or at all, our business and



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## RISK FACTORS

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profitability may be adversely affected. In addition, if any of such customers default or delay on their payment or settlement of our trade receivables, our liquidity, financial condition and results of operations may be adversely affected.

**We are subject to credit risk related to delay in payments and defaults of customers as our trade receivables balance and average trade receivables turnover days increased significantly during the Track Record Period.**

We are exposed to credit risk related to delays in payments and defaults of our customers. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our trade receivables amounted to RMB176.4 million, RMB303.1 million, RMB474.4 million, and RMB474.8 million, respectively, and loss allowance on trade receivables amounted to RMB21.8 million, RMB49.9 million, RMB65.2 million, and RMB70.6 million, respectively. Moreover, our trade receivables average turnover days increased significantly during the Track Record Period, from 192 days in 2022 to 241 days in 2023 and further to 352 days in 2024 and 373 days for the six months ended June 30, 2025. The increase in the balances of trade receivables and our average turnover days of trade receivables during the Track Record Period were generally due to the increase in the sales of our products and solutions as our business expanded over the same periods. However, we may from time to time have extended period for collecting trade receivables, primarily because (i) certain of our sales are made to end customers from the public sector that feature relatively solid credit status yet a long payment cycle because of their internal financial management and payment approval processes, and (ii) we also have sales made indirectly to such end customers, such as those through system integrators, whereby our payment collection from system integrators may be dependent on payment from the end customers in the first place, or such sales are made through distributors who had encountered payment difficulties and prolonged payment from end customers as the relevant railway projects undertaken by railway bureaus were delayed due to impact of COVID-19 in 2022. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our trade receivables that were outstanding for more than one year amounted to RMB14.7 million, RMB70.2 million, RMB99.3 million, and RMB116.6 million, respectively, accounting for 8.3%, 23.2%, 20.9%, and 24.6% of our trade receivables balances as of the respective dates. The relatively higher contribution from long-aging trade receivables as of December 31, 2023 and 2024 and June 30, 2025 were mainly related to sales targeting, directly or indirectly, the aforementioned public sector customers.

We may not be able to timely collect all such trade receivables due to a variety of factors that are beyond our control, including the adverse operating conditions or financial situation of customers, and customers' inability to pay caused by end customers' delay in payment and in particular, the long payment cycle associated with end customers from the public sector. Our exposure to such trade receivables recoverability issue would especially be more pronounced if the financial condition of counterparties would deteriorate for any combination of reasons. Moreover, we usually grant a credit term of up to 12 months to customers, whereas our settlement of payment with suppliers may be effectively shorter. We are exposed to the risk of cashflow mismatch in view of the significantly longer trade receivables turnover days as compared to the trade payables turnover days during the Track Record Period. For the years



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## RISK FACTORS

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ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our average trade receivables turnover days were as long as 192 days, 241 days, 352 days, and 373 days, respectively, whereas our average trade payables turnover days were generally much shorter being 220 days, 158 days, 85 days, and 108 days, respectively. These mismatches in credit terms and cashflows may increase our liquidity risks from time to time.

If any of our customers experience financial difficulties in settling our trade receivables, or if the relationship between us and any of our customers is terminated or deteriorates, our corresponding trade receivables might be adversely affected in terms of recoverability. As the increase of the amount of provisions made on our trade receivables are recorded as expenses on our consolidated statements of profit or loss, if we are not able to manage the credit risk associated with our trade receivables effectively, our financial condition and results of operations may be materially and adversely affected. Furthermore, substantial defaults or delays by our customers for making payments could materially and adversely affect our cash flow and we may have to terminate our relationships with such customers. In the worst-case scenario if the abovementioned microeconomic factors would ever and indeed materialize, a double squeeze of much higher write-off of trade receivables and slower cash inflows could quickly and significantly strain our working capital in the short term, which might bring various challenges to our business operations, including: (i) sizeable cash flow gaps that might necessitate expensive bridge financing; (ii) cost overruns on existing business and inability to fund upfront costs of implementing new business plans and strategies; (iii) workforce shrinkage impacting our product and service capabilities; (iv) defaults in debt repayments and inability to obtain new borrowings; and (v) loss of credibility with customers, suppliers, lenders and other partners in a vicious cycle that would ultimately threaten our solvency. In addition, we had net cash outflows in operating activities during the Track Record Period. Significant amount of trade receivables may, among other things, make us continue to have net cash outflows from operating activities in the future. For details, see “— Risks Related to our Business and Industry — We recorded net operating cash outflows during the Track Record Period and may need to obtain additional financing to fund our operations which may not be obtained on favorable terms or at all.”

**If we fail to maintain our relationship with customers including distributors and system integrators, we may face a decline of sales and our business, financial condition, results of operations and prospects would be adversely affected.**

In the industry verticals in which we operate, it is customary to reach end customers through distributors and/or system integrators. During the Track Record Period, a substantial portion of our revenue was generated from sales to distributors and system integrators. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the revenue from sales to distributors was RMB78.6 million, RMB100.0 million, RMB197.5 million, and RMB55.5 million, respectively, which accounted for 31.1%, 27.5%, 49.1%, and 24.0% of our total revenue for the respective periods; the revenue from sales to system integrators was RMB150.3 million, RMB131.1 million, RMB19.3 million, and RMB6.4 million, respectively, which accounted for 59.5%, 36.0%, 4.8%, and 2.8% of our total revenue, respectively.

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## RISK FACTORS

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Our ability to reach end customers through distributors and system integrators is important to the growth of our business and may directly affect our results of operations and profitability. In addition to ensuring our reputation through high-quality products and responsive services, our well-trained sales and marketing team works with our distributors and system integrators to help them become more sophisticated with respect to the functionality and application of our products and services in accordance with their respective needs. For instance, we may provide our distributors with technical support, including training in the essential technologies of our products, participating in presentations to end customers together with distributors, and assisting in preparing documents for contracts awarded through competitive biddings and tenders. Our distributors and system integrators face a learning process with respect to our products. We cannot assure you that our distributors and system integrators will be able to gain the required knowledge for the sales of our products in a timely and effective manner or at all.

We review the performance of our distributors from time to time and we implement internal control measures for the management of distributors in respect of aspects including anti-corruption and anti-bribery, as well as prevention of cannibalization amongst distributors or potentially with direct customers. Any failure to manage our distributors in an effectively manner may hinder our efforts of sales expansion. We also seek to retain and engage more competent distributors and system integrators to maintain and expand our overall sales coverage. Any reduction, delay or cancelation of sales and orders from our distributors or system integrators, or our failure to renew distributorship agreements, maintain good relationships with existing distributors and system integrators, or timely identify and engage additional or replacement distributors or system integrators upon the loss of one or more of such customers, may cause material fluctuations or declines in our revenue or the sustainability of our growth, which may in turn have a material and adverse impact on our business, financial condition and results of operations.

Furthermore, in terms of our sales efforts for customer acquisition, we had during the Track Record Period engaged certain business development service providers for procurement of customer engagement. If we failed to maintain relationship with such service providers, our ability to engage new customers may be negatively impacted.

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## RISK FACTORS

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**A substantial portion of our business depends on sales, directly or indirectly, to the public sector. Developments in public policies in respect of, and public spending on, AI related products, services and/or solutions may negatively affect our business, financial condition and results of operations.**

During the Track Record Period, a substantial portion of our sales were made, directly or indirectly, to the public sector, such as our sales, directly or indirectly, to railway bureaus and power grid companies. Sales to the public sector could be time-consuming, and may require upfront time and expenses without assurance that these efforts will generate a sale. Moreover, public spending and the decision-making process are contingent upon various factors that are not necessarily related to the features of our products and services and are subject to changes beyond our control, such as the future growth of urban population or development plans or amendments in public policies. There is no assurance that public spending that relates to our business will continue to grow or remain at the current level. Accordingly, our business, financial condition and results of operations may be adversely affected by certain events or activities, including, but not limited to:

- changes in public sector related fiscal or procurement procedures or decreases in available public spending;
- changes in policies or priorities and resultant funding;
- long payment cycle as required by the public sector customers' internal financial management and payment approval processes;
- additional selection processes administered by any system integrators engaged;
- the adoption of new laws or regulations or developments in existing laws or regulations;
- influences by, or competitions from, third parties with respect to existing, pending or new contracts with public sector customers; and
- potential delays or changes in public spending, including as a result of incidents of natural disasters or epidemics and public health concerns.

Any such event or activity, among others, could cause public sector customers to delay or refrain from purchasing our products and services in the future, reduce the size or payment amounts from existing or new public sector customers, or otherwise have an adverse effect on our business, financial condition and results of operations.

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## RISK FACTORS

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Moreover, our growth in a broader sense depends in part on favorable public policies in respect of the industry in which we operate and on AI related products, services and/or solutions. However, such policies may be subject to developments that are beyond our control, and there can be no assurance that public policies favorable to us will continue. Developments in such policies may have a material adverse impact on our business, financial condition and results of operations.

### **We had a concentration of suppliers during the Track Record Period.**

We had a concentration of suppliers during the Track Record Period. Purchase amount from our five largest suppliers in each year or period of the Track Record Period accounted for 60.9%, 70.9%, 50.8%, and 83.5% of our total purchase amount for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively; purchase amount from our largest supplier in each year or period of the Track Record Period accounted for 46.4%, 37.0%, 21.7%, and 61.5% of our total purchase amount for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. Our five largest suppliers in each year or period of the Track Record Period mainly provided us hardware related components and equipment or software systems and modules, as well as data related services during the Track Record Period. For further details, see “Business — Suppliers and Procurement — Top Five Suppliers.”

We cannot assure you that we will be able to secure a stable supply of qualified products and/or services at all times from our suppliers going forward. Specifically, we cannot assure you that we will be able to identify an alternative qualified supplier in a timely manner or at all, in the event that any of our existing suppliers terminates its contract with us or is no longer qualified. Any change in suppliers could also require significant efforts or investments in circumstances where the items or services supplied are integral to solution performance or incorporate unique technologies, and the loss of existing supply contracts could have a material adverse effect on us.

### **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. 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.

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## RISK FACTORS

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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 research and development team to develop our advanced technologies 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.

**If the markets for our products and services fail to grow as we expect, or if our existing and potential customers fail to adopt our products or services, our business, operating results, and financial condition could be adversely affected.**

It is difficult to predict customer adoption rates and demand for our products and solutions, the entry of competitive solutions, or the future growth rate and size of the AI+ solutions industry. Although the demand for data management, machine learning, analytics platforms and applications has been growing in recent years, the market for these platforms and applications continues to evolve. We cannot be sure that market demand for the AI+ solutions industry in China will continue to grow or, even if it does grow, that customers will adopt our products and services. 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 AI related products and services, as well as customers' (especially our major customers') willingness to adopt our AI solutions. We have spent, and intend to keep spending, considerable resources to educate potential customers about AI in general and our products and services in particular. However, we cannot be sure that these expenditures will help our products and services achieve any additional market acceptance. Furthermore, potential customers may be unwilling to invest in novel solutions. If the market fails to grow or grows slower than we expect or customers fail to adopt our AI solutions, our business, operating results and financial condition could be adversely affected.

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

We recorded revenue during the Track Record Period from the online e-commerce sales of home security devices to customers in overseas markets. Our operations and expansion efforts with doing business internationally may result in increased costs and are subject to a variety of risks, including increased competition, uncertain enforcement of our intellectual property rights in overseas markets, unfamiliar market conditions, different pricing environments, business expansion not meeting expectations, potentially longer sales and

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## RISK FACTORS

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accounts receivable payment cycles and collections issues, increased financial accounting and reporting burdens, fluctuation in exchange of currencies and the complexity of compliance with Chinese and foreign laws and regulations, including any data compliance or data security risks that may be applicable to us.

We also could be significantly affected by other risks associated with international activities including, but not limited to, economic and labor conditions, increased duties, taxes and other costs and political instability. Sales of our products and services in overseas markets could be materially and adversely affected by international trade regulations, including duties, tariffs and antidumping penalties. We are also exposed to credit and collectability risk on our trade receivables with customers in certain international markets. There can be no assurance that we can effectively limit our credit risk and avoid losses.

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

We expect to evaluate and consider a wide array of investment and acquisition opportunities that we believe can extend and solidify our market position as part of our overall business strategy. We may be engaged in discussions or negotiations with respect to one or more of these types of transactions. These transactions involve significant challenges and risks, including:

- difficulties in integrating the acquired personnel, operations, solutions and/or services into our operations;
- potential issues with technology, internal controls and financial reporting of the companies we acquire;
- disruptions of our ongoing business, distractions of the attention of our management and employees and increase of our expenses;
- loss of skilled professionals and established client relationships of the businesses we invest in or acquire;
- for investments over which we do not obtain management and operational control, lack of influence over the controlling partner or shareholder, which may prevent us from achieving our strategic goals in such investments;
- new regulatory requirements and compliance risks that we become subject to as a result of investments or acquisitions in new industries or otherwise;
- actual or alleged misconduct or noncompliance by any company we acquire or invest in (or by its affiliates) that occurred prior to our acquisition or investment, which may lead to negative publicity, government inquiry or investigations against such company or against us;

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## RISK FACTORS

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- unforeseen or hidden liabilities or costs that may adversely affect us following our acquisition of such targets;
- compliance matters including the antimonopoly and competition laws, rules and regulations of the PRC and other jurisdictions in connection with any proposed investments and acquisitions;
- the risk that any of our pending or other future proposed investments or acquisitions does not close;
- the costs of identifying and consummating investments and acquisitions;
- the use of substantial amounts of cash and potentially dilutive issuances of equity securities;
- the occurrence of significant goodwill impairment charges and amortization expenses for other intangible assets; and
- uncertainties in achieving the expected benefits of synergies and growth opportunities in connection with these acquisitions and investments.

Any such negative developments described above could disrupt our existing business and have a material adverse effect on our business, reputation, financial condition and results of operations.

**We may be subject to product liability claims if our products or services contain defects. We could incur significant expenses to remediate such defects, as a result, our reputation could be damaged and we could lose market shares, and our financial condition and results of operations may be negatively affected.**

Products and services within the industry, such as those we develop, may contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, our products and services may contain serious errors or defects, security vulnerabilities or software issues which we are unable to successfully correct in a timely manner or at all, which could result in revenue loss, significant expenditures of capital, a delay or loss in market acceptance and damage to our reputation and brand, any of which could have an adverse effect on our business, reputation, financial condition, and results of operations.

Given that many of our customers use our products and services in processes that are critical to their businesses, any error, defect, security vulnerability, service interruption or software issue in our products and services could result in losses to our customers. Our customers may seek compensation from us for any losses they suffer or cease conducting business with us altogether. Further, complaints may be made by customers through various means including social media, which could damage our reputation and result in a loss of future



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## RISK FACTORS

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sales. We cannot assure you that any provisions limiting our exposure to claims, to the extent included in our agreements with customers, would be enforceable, adequate, or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if unsuccessful, a claim brought against us by any of our customers would likely be time-consuming, costly to defend and may have a material adverse impact on our reputation and brand, making it harder for us to sell our products and services.

**We face inventory obsolescence, shortage or excess risks.**

As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had inventories of RMB2.0 million, RMB4.6 million, RMB4.3 million, and RMB3.2 million, respectively. Our inventory average turnover days were 4 days, 8 days, 10 days, and 5 days in 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. We are exposed to inventory obsolescence and inventory shortage risks as a result of a variety of factors beyond our control, including, changes of customer needs and the inherent uncertainty of the success of deployment of our products and services. As a result of unforeseen or sudden events, we may experience slow movement of our inventories, fail to utilize or sell our inventories swiftly, or face the risk of inventory obsolescence, which would lead to inventory write-downs, expiration of products or an increase in inventory holding costs and a potential negative effect on our liquidity and our business, results of operations, financial condition and prospects may be adversely affected.

**We have historically received government grants, which we may not be able to receive in the future.**

We have historically received government grants from local governments in the PRC to support our research and development activities and operation or as rewards for our financial contribution to regional economic development. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we recognized government grants as other income of RMB2.0 million, RMB4.5 million, RMB1.8 million, and RMB1.5 million, respectively. See “Financial Information — Description of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Line Items — Other Income and Gains” and Note 5 to the Accountants’ Report in Appendix I to this prospectus.

Our eligibility for government grants depends on a variety of factors, including the assessment of our improvement on existing technologies, relevant government policies, the availability of funding at different granting authorities and the research and development progress made by other peer companies. In addition, the timing, amount and criteria of government grants are determined by the local government authorities and cannot be influenced by us or predicted with certainty before we actually receive them. Also, some of the government financial incentives may be granted on a project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific projects therein. We cannot guarantee that we will satisfy all relevant conditions, and if we fail to satisfy any such conditions, we may be deprived of the relevant grants. Therefore, the current government grants enjoyed by us have a



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## RISK FACTORS

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non-recurring nature and we cannot assure you of the continued availability of that currently enjoyed by us. Any reduction or elimination of such government grants would have an adverse effect on our financial performance and results of operations.

**Any discontinuation, reduction or delay of any preferential tax treatments available to us could materially and adversely affect our business, financial condition and results of operations.**

During the Track Record Period, we enjoyed preferential tax treatment under relevant preferential tax policies. Our Company and one of our subsidiaries Zhonggui Railway had each been recognized as a “High and New Technology Enterprise” and were entitled to a preferential enterprise income tax rate of 15% during the Track Record Period. The “High and New Technology Enterprise” qualification is generally reassessed by the relevant authorities every three years. In addition, a number of our PRC subsidiaries were qualified as small and micro enterprises and were entitled to pay enterprise income tax at various progressive preferential tax rates during the Track Record Period. Furthermore, we may be entitled from time to time to other forms of preferential tax treatment, including without limitation, refund on VAT and R&D tax credits, etc.

Such preferential tax treatments are subject to change and termination. Government agencies may decide to reduce, eliminate or cancel our tax preferences at any time. Therefore, we cannot assure you of the continued availability of such tax preferences as we currently enjoy. If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, the discontinuation, reduction or delay of the preferential tax treatment could adversely affect our financial condition and results of operations. See “Financial Information — Description of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Line Items — Income Tax.”

**Failure to fulfil our obligations in respect of contract liabilities could adversely affect our results of operation, liquidity and financial position.**

As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had contract liabilities of nil, RMB1.8 million, RMB13.2 million, and RMB3.7 million, respectively. Our contract liabilities mainly arise from the advance payments made by customers while the underlying products or services are yet to be provided. See “Financial Information — Description of Selected Consolidated Statements of Financial Position Items — Other Payables and Accruals.” There is no assurance that we will be able to fulfil our obligations in respect of contract liabilities. If we are not able to fulfil our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue, and we may have to return the advance payment made by our customers. As a result, our results of operations, liquidity and financial position may be adversely affected.

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## RISK FACTORS

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**We are uncertain about the recoverability of our deferred tax assets, which may affect our financial positions in the future.**

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our deferred tax assets amounted to RMB7.4 million, RMB11.7 million, RMB13.9 million, and RMB15.2 million, respectively, which were mainly in relation to impairment of financial and contract assets. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered. In this context, we cannot guarantee the recoverability or predict the movement of our deferred tax assets, and to what extent they may affect our financial position in the future.

**Changes in fair value of our financial assets measured at fair value through profit or loss or other comprehensive income may adversely affect our financial condition and results of operations.**

During the Track Record Period, we had financial assets measured at fair value through profit or loss (“FVTPL”) which arose from unlisted investments that were wealth management products issued by a bank in the PRC with a maturity period of a month. The investments were classified as financial assets measured at FVTPL because their contractual cash flows are not solely payments of principal and interest. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we recorded investment income from financial assets measured at FVTPL of RMB0.4 million, nil, nil, and nil, respectively. As of each of December 31, 2022, 2023 and 2024 and June 30, 2025, we recorded nil balances of such financial assets measured at FVTPL.

During the Track Record Period, we also had financial assets measured at fair value through other comprehensive income (“FVTOCI”) which represented one time deposit that were held under the “hold to collect and sell” business model. For the years ended December 31, 2022 and 2023 and 2024 and the six months ended June 30, 2025, we recorded investment income from financial assets measured at FVTOCI of nil, nil, RMB0.5 million, and nil, respectively. As of each of December 31, 2022, 2023 and 2024 and June 30, 2025, we recorded nil balances of such financial assets measured at FVTOCI.

According to applicable accounting policies, financial assets measured at FVTPL or FVTOCI are recorded in the consolidated statements of financial position at fair value, with net changes in their fair value recognized in the consolidated statements of profit or loss and other comprehensive income, and therefore directly affect our financial condition and results of operations. Such treatment of gain or loss may cause significant volatility in, or materially and adversely affect, our period-to-period earnings, financial condition and results of operations. We cannot assure you that market conditions and regulatory environment will create fair value gains and we will not incur any fair value losses on our financial assets measured at FVTPL or FVTOCI in the future.

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## RISK FACTORS

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In addition, estimated changes in fair values involve the exercise of professional judgment and the use of certain basis and assumptions, which, by their nature, are subjective and uncertain. To the extent we use the assumptions that market participants would use to price the asset or liability acting in their economic best interest with respect to the measure of fair value of any financial assets, the financial assets valuation would be subject to uncertainties in accounting estimation, which may not reflect actual fair value of these financial assets and result in significant fluctuations in our profit or loss or other comprehensive income from period to period. To the extent we need to revalue these financial assets, any change in their fair value and related valuation uncertainty could materially affect our financial condition and results of 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.**

We use open-source software in some of our technologies and expect to continue to use open-source software in the future. Accordingly, we may face allegations from others alleging ownership of, or seeking to enforce the terms of, an open-source license, including by demanding release of the open-source software, derivative works, or our source code that was developed using such software. These allegations could also result in litigation. The terms of many open-source licenses remain to be further elaborated and interpreted in judicial practice. There is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our software. In such an event, we may be required to seek licenses from third parties to continue commercially offering our software, make our code generally available in source code form, re-engineer our software, or discontinue the sale of our software if re-engineering could not be accomplished in a timely and cost-effective manner, any of which could adversely affect our business operations.

The use of open-source software subjects us to a number of other risks and challenges. As certain software we use leverages open-source codes, we may, under certain circumstances, be subject to unintended consequences that could materially and adversely affect our business, results of operations and financial condition. Open-source software is subject to further developments or modifications by anyone. It is also possible for competitors to develop their own products, services and/or solutions using open-source software, potentially reducing the demand for our solutions or rendering them no longer useful. If we are unable to successfully address these challenges, our business, results of operations and financial condition may be adversely affected, and our development costs may increase.

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## RISK FACTORS

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**Our technology infrastructure may experience unexpected system failure, interruption, inadequacy, security breaches or cyberattacks. Our reputation, business and results of operations may be harmed by service disruptions or by our failure to timely and effectively scale and adapt our existing technology and infrastructure.**

Our technology infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload. Our technology infrastructure may be vulnerable to damage or interruption caused by telecommunication failures, power loss, human error or other accidents. Despite any precautionary measures we may take, the occurrence of unanticipated problems that affect our technology infrastructure could result in interruptions in the availability of our products and services. It may be difficult for us to respond to such interruptions in a timely manner, or at all. Such interruptions may affect the ability of customers to use our products and services, which would damage our reputation, reduce our future revenues, harm our future profits, subject us to regulatory scrutiny and lead customers to seek alternative solutions.

Furthermore, our infrastructure is also vulnerable to damages from fires, floods, earthquakes and other natural disasters, power loss and telecommunications failures. Any network interruption or inadequacy that causes interruptions to our operations, or failure to maintain the network and server or solve such problems in a timely manner, could reduce our customer satisfaction, which in turn could adversely affect our reputation, business and financial condition.

**We engage third parties in our business operations. Such arrangements reduce our control over the quality, development, and deployment of our solutions and could harm our business.**

We engage third parties in our business operations. We procure certain hardware related components and equipment, as well as software systems and modules, from third party suppliers. We also outsource certain non-core and less sophisticated services, such as data collection, cleansing, rendering and annotation services to third party service providers. Such arrangements may reduce our direct control over the quality, development and deployment of our products and services. We may experience operational difficulties with our third party suppliers, including reductions in the availability of production capacity, failures to comply with product specifications, insufficient quality control, failures to meet deployment schedules, increases in assembly costs and longer lead time required. Our third party suppliers may experience disruptions in their operations due to equipment breakdowns, labor strikes or shortages, natural disasters, component or 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 suppliers or identify substitute partners. Although arrangements with these suppliers may contain provisions for warranty expense reimbursement, we may remain responsible to the customer for warranty service in certain events. Any failure of our third party vendors to perform their responsibilities or to be in compliance with all applicable laws and regulations may have a material negative impact on our business.

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## RISK FACTORS

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

Our business depends on our ability to satisfy our customers, not only with respect to the sale of our products but also any maintenance services and technical support that may be performed to enable them to implement and use our products in order to address their business needs. As we continue to grow our operations and support our customer base, we need to be able to continue to provide effective maintenance services and efficient technical support at scale. Any return, exchange and warranty policies that we adopt from time to time to improve their experience and promote customer loyalty could nevertheless subject us to additional costs and expenses which we may not recoup through increased revenue. If we revise these policies to reduce our costs and expenses, however, our customers may be dissatisfied, which may result in loss of existing customers or failure to acquire new customers at a desirable pace. Also, if we experience increased demand for maintenance services and technical support, we may face increased costs and not be able to recruit or retain sufficient qualified support personnel with experiences in such supporting performance. As a result, we may be unable to respond quickly enough to accommodate short-term increases in demand for maintenance services and technical support. In addition, we also may be unable to modify the future scope and delivery of our maintenance services and technical support to align with changes in that provided by our competitors.

If our customers are not satisfied with the deployment and ongoing services performed by us, the demand for which may increase continuously, we could lose our customers, miss opportunities to expand our business with such customers, incur additional costs, and lose, or suffer reduced margins on, our revenue. In addition, negative publicity related to our maintenance services and technical support, regardless of its accuracy, may further damage our business and results of operations by affecting our ability to compete for new businesses.

**Our exchange, return and warranty policies may adversely affect our results of operations.**

Our policy allows products with defects to be returned and exchanged by our customers within the warranty period. In addition, we typically offer a limited warranty for our products. For details, see “Business — Customers and Customer Support — Product Warranty.” If we experience any deterioration in the quality of our products, we will incur higher costs associated with returns, exchanges and warranties. We may also be required by law to adopt new or amend existing return, exchange and warranty policies from time to time. While these policies improve customer experience and promote customer loyalty, which may in turn help us acquire and retain customer, they also subject us to additional costs and expenses which we may not recoup through increased revenue. We cannot assure you that our return, exchange and warranty policy will not be misused by our customers, which may significantly increase our costs and may materially and adversely affect our business and results of operations. If we

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## RISK FACTORS

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revise these policies to reduce our costs and expenses, our customers may be dissatisfied, which may result in loss of existing customers or failure to acquire new customers at a desirable pace, which may materially and adversely affect our results of operations.

**We may require various approvals, licenses, permits and certifications to operate our business, any failure to obtain or renew any of these approvals, licenses, permits or certifications could materially and adversely affect our business and results of operations.**

We are subject to applicable laws and regulations in the PRC for maintaining necessary approvals, licenses, permits or certifications in order to operate our business. Any non-compliance in this regard may expose us to liability. We have designed and adopted internal procedures to ensure compliance of our business operations with all relevant laws and regulations, and to ensure that we obtain necessary approvals, licenses, permits and certifications for our business operations. However, we cannot guarantee that we will be able to obtain all of such requisite approvals, licenses, permits and certifications. Regulatory authorities who have authority to supervise and regulate the industry we operate in may not interpret relevant laws and regulations the way we do. In addition, as the regulatory regime for the industries in which we operate continue to evolve, new laws, regulations and regulatory requirements are promulgated and implemented from time to time, and the interpretation and application of existing laws, regulations and regulatory requirements are subject to changes.

We may be required to obtain approvals, licenses, permits and certifications in the future for new scope of business that we may expand into. In the event of non-compliance, we may have to incur expenses and divert management time to rectify the incidents. If we fail to obtain all the necessary approvals, licenses, permits and certifications required by relevant laws and regulations or if we are deemed to have conducted business operations requesting certain approvals, licenses, permits and certifications without having one, we may be subject to fines or the suspension of operations of the relevant business segments or facilities that do not have all the requisite approvals, licenses, permits and certifications, which could materially and adversely affect our business and results of operations. See “Regulatory Overview” of this prospectus for further details on the requisite approvals, licenses, permits and certifications for business operations. We may also experience adverse publicity arising from non-compliance with government regulations, which would negatively impact our reputation.

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

Our business operations are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations in the jurisdictions where we operate. Any illegal, fraudulent, corrupt or collusive activity by our customers, suppliers or other third parties, including, but not limited to, those in violation of anti-corruption or anti-bribery laws, could negatively impact our business relationships with and selection of relevant counterparties, subject us to negative publicity that could severely damage our brand and reputation.

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## RISK FACTORS

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**Confidentiality agreements and non-compete covenants with employees and other third parties may not adequately prevent the disclosure of trade secrets and other proprietary information.**

We have devoted substantial resources to the development of our technology and knowhow. Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses with our employees, we cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. In addition, others may independently discover trade secrets and proprietary information, limiting our ability to assert any proprietary rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

**Unauthorized use of our intellectual properties by third parties may harm our brands and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business.**

We regard our copyrights, trademarks, trade secrets and other intellectual properties as critical to our success and rely on a combination of trademark and copyright laws, trade secrets protection, restrictions on disclosure and other agreements that restrict the use of our intellectual properties to protect these rights. Although contracts with our business partners may prohibit the unauthorized use of our brands, images, characters and other intellectual property rights, we cannot assure you that they will always comply with these terms. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties.

Policing unauthorized use of our proprietary technology, trademarks and other intellectual property is difficult and expensive, and litigation may be necessary to enforce our intellectual property rights. Future litigation could result in substantial costs and diversion of our resources and could disrupt our business, as well as materially and adversely affect our financial condition and results of operations.

Moreover, 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 us. 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 us, which could harm our reputation and materially and adversely affect our results of operations.



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## RISK FACTORS

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**We may be subject to intellectual property infringement claims, which could be time consuming or costly to defend and may result in diversion of our financial and management resources, and indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.**

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights or other intellectual property rights held by third parties. We may from time to time be subject to such proceedings and claims. We cannot assure you that holders of patents purportedly relating to some aspect of our technology infrastructure or business, if any such holders exist, would not seek to enforce such patents against us in China or any other jurisdictions. Further, the application and interpretation of China's patent laws and the procedures and standards for granting patents in China may change, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against such infringement or licensing allegations and claims is costly and time consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or an injunctive relief was issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, financial position and results of operations could be materially and adversely affected.

Further, our agreements with third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, or other liabilities relating to or arising from our software, services or other contractual obligations. Large indemnity payments could harm our business, results of operations and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, generally, those limitations may not be fully enforceable in all situations, and we may still incur substantial liability under those agreements. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing customers and new customers and harm our business and results of operations.

**We are subject to the risks, directly or indirectly, associated with export control, international trade policies, geopolitics and trade protection measures, and our business, financial condition and results of operations could be adversely affected.**

Our operations may be negatively affected by any deterioration in the political and economic relations among countries and regions and sanctions and export controls administered by the government authorities in the countries and regions in which we operate, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased duties, taxes and other costs and political instability. Margins on sales of our



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## RISK FACTORS

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products and services in certain countries and regions and on sales of products that include components obtained, directly or indirectly, from certain foreign suppliers could be materially and adversely affected by international trade regulations, including duties, tariffs and antidumping penalties. For example, the U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. Such laws and regulations are likely to be subject to frequent changes, and their interpretation and enforcement involves substantial uncertainties, which may be heightened by national security concerns or driven by political and/or other factors that are out of our control. Therefore such restrictions, and similar or more expansive restrictions that may be imposed by the U.S. or other jurisdictions in the future, may be difficult or costly to comply with and may materially and adversely affect our and our technology partners' abilities to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, service offerings and business operations.

The U.S. export controls and trade laws and regulations are complex and likely to be subject to frequent changes, and the interpretation and enforcement of the relevant regulations involve substantial uncertainties, which may be driven by political and/or other factors that are not within our control or that are heightened by national security concerns. For instance, the U.S. export control regime regulates the export, transfer or disclosure of U.S. products, software, and technology to non-U.S. jurisdictions and non-U.S. persons based on the nature of the product or technology, as well as the destination, transferee, or end use of a specific export or transfer. The U.S. export control regime may impact the ability of our suppliers to procure advanced semiconductor components, which may consequentially impact our ability to procure certain commodities with the necessary specifications. Separately, the tariffs imposed by the U.S. may negatively affect our overseas sales to consumers in the United States. For instance, as of the Latest Practicable Date, all products of the China are subject to an additional 10% tariff "to end the direct flow of fentanyl and other synthetic opioids from China." Moreover, as of the Latest Practicable Date, our home security devices exported to the U.S., classified under HTSUS 8525.89.50.30, are generally subject to a tariff rate of 45%, comprised of (1) 10% IEEPA fentanyl tariffs, (2) 10% IEEPA reciprocal tariffs; and (3) 25% section 301 tariffs. See "Regulatory Overview — Regulations related to Export and Trade Controls" for further information on the regulations relating to U.S. export controls and restrictions on chips and regulations on tariff imposed by the U.S. If any such restrictions and the likes, and any associated inquiries or investigations, or any other government actions occur, they may be difficult or costly to comply with and may, among other things, delay or impede the development of our technology and solutions, and hinder the stability of our supply chain. They could also result in negative publicity, require significant time and attention of the management and subject us to fines, penalties or orders that we cease or modify our existing business practices, if they occur. Any of these events may have an adverse effect on our business, financial condition and results of operations.

In addition, on August 9, 2023, the Biden Administration issued the Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern granting the U.S. government the authority to establish and enforce an outbound investment screening regime. On October 28, 2024, the U.S. Department of the

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## RISK FACTORS

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Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “**Final Rule**”) to implement the Executive Order of August 9, 2023. The Final Rule has become effective on January 2, 2025. The Final Rule applies to investments by U.S. person as to “covered transactions” involving “covered foreign person” associated with a “country of concern” in “covered activities” in three sectors pertaining to national security technologies and products: (1) semiconductors and microelectronics, (2) quantum information technologies and (3) artificial intelligence.

Our Directors are of the view that, based on the advice of our U.S. Export Control and U.S. Foreign Investment Legal Advisor, although we are a “covered foreign person”, the purchase of H Shares through the Global Offering is not a prohibited transaction under the Final Rule, but U.S. persons would be required to notify the U.S. Department of Treasury on the participation of the Global Offering. However, the Final Rule nonetheless may increase the compliance burden of U.S. investors and may cause certain U.S. investors to adopt a more cautious approach in their investments, affecting the investor sentiment towards us, and therefore negatively impacting our ability to raise capital.

Furthermore, as technologies continue to advance, third parties may offer new technologies or products that could enhance our technology infrastructure or AI products and services. To the extent that such new technologies or products are subject to any export control or international trade restrictions, we would not be able to access such technologies or products if any of our suppliers remains on the relevant entity list or is otherwise subject to such restrictions. There can be no assurance that we would be able to identify alternative supply chain arrangements to access similar technologies or products of the same quality at similar cost, and we may encounter increased supplier scrutiny due to any heightened restrictions. As such, we may not be able to compete effectively in certain business lines, and our business, results of operations and financial condition could be materially and adversely affected.

**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.**

We believe that maintaining, promoting and enhancing our key brands, including but not limited to “Nuobikan”, is critical to our business. Maintaining and enhancing our brands depend largely on our ability to continue to provide high-quality, well-designed, useful, reliable and innovative AI related products and services, which we cannot assure you we will do successfully.

We believe the importance of brands recognition will increase as competition in our market increases. In addition to our ability to provide reliable and useful AI related products and services at competitive prices, successful promotion of our brands will also depend on the effectiveness of our marketing efforts. We market our products and services through our direct sales force, our sales channels through business partners such as distributors, as well as customers’ word-of-mouth referrals. Our efforts to market our brand have incurred significant

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## RISK FACTORS

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costs and expenses and we intend to continue such efforts. We cannot assure you, however, that our selling and marketing expenses will lead to increases in revenue, and even if they do, such increases in revenue may not be sufficient to offset the expenses incurred.

**Rumors or negative publicity involving our Company, our products and services, 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 product and services, our management, our customers or our business partners may materially and adversely harm our business and reputation. Although we may have made efforts to strengthen our responsiveness to negative publicity events, 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.

**We may be the subject of anticompetitive, harassing or other detrimental conducts by third parties that could harm our reputation and cause us to lose market share, customers and revenues.**

We may be the target of anticompetitive, harassing, or other detrimental conduct by third parties. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Additionally, allegations, directly or indirectly against us, may be posted online by anyone, whether or not related to us. The availability of information on social media is virtually immediate, as is its impact. Social media immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. Such information posted may be inaccurate and adverse to us, and it may harm our financial performance, prospects or business. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which in turn may cause us to lose market share, customers and revenues.

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## RISK FACTORS

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**Misconduct and omissions by our business partners could harm our business and reputation.**

Misconduct or omission by, or other negative circumstances in connection with, our business partners or other stakeholders could subject us to disruption of business, negative publicity or liability. Although we maintain strict standards in choosing our business partners or other stakeholders, we cannot assure you these third parties will not engage in misconducts or omissions, or otherwise be involved in any negative incidents. Any such circumstances may affect our operations and reputation, which may in turn affect our business, results of operations and financial condition.

**Noncompliance of third parties involved in our business could adversely affect our business.**

Our business partners, including our various suppliers and customers, as well as other third parties who have entered into business relationships with us or with our business partners, may be subject to regulatory penalties or punishments because of their regulatory compliance failures, which may, directly or indirectly, affect our business. We cannot be certain whether such third parties have infringed or will infringe any other parties' legal rights or violate any regulatory requirements. We cannot rule out the possibility of incurring liabilities or suffering losses due to any noncompliance by third parties. We cannot assure you that we will be able to identify irregularities or non-compliances in the business practices of our business partners or other third parties, or that such irregularities or non-compliance will be corrected in a prompt and proper manner. The legal liabilities and regulatory actions on our business partners or other third parties involved in our business may affect our business activities and reputation, which may in turn affect our results of operations.

**Failure to make adequate social insurance and housing provident fund contributions as required by the PRC laws and regulations may subject us to penalties.**

Pursuant to the relevant PRC laws and regulations, employers in the PRC are required to make, among other things, social insurance and housing provident fund contributions for their employees, and entities failing to make such contributions may be ordered to settle the outstanding contributions within a prescribed time limit and/or subject to penalties. During the Track Record Period, we made social insurance and housing provident fund contributions for our employees in the PRC based on the minimum contribution bases or ratios adopted locally which resulted in our not making full contributions to the social insurance and housing provident funds for such employees. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the amount of the shortfall in social insurance and housing provident fund contributions was RMB1.3 million, RMB2.3 million, RMB2.6 million, and RMB1.9 million, respectively. There is no assurance that there will not be any employee complaint against us in relation to our failure to make full social insurance and housing provident fund contributions. There is also no assurance that we will not be ordered to rectify for the outstanding amount or subject to penalties imposed by the relevant PRC authorities or any court order that is adverse to us (including without limitation, court orders pursuant to the

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## RISK FACTORS

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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)》)) as a result thereof. Any such complaints, orders or penalties may have an adverse effect on our financial condition and results of operations. For further details, see "Business — Employees — Social Insurance and Housing Provident Fund Contributions."

**We may be involved in legal proceedings and commercial disputes, which could have a material adverse effect on our business, financial condition and results of operations.**

We may be subject to claims and various legal and administrative proceedings, and, as a result, penalties and new claims may arise in the future. In addition, agreements we entered into sometimes include indemnification provisions which may subject us to costs and damages in the event of a claim against an indemnified third party.

Regardless of the merit of particular claims, legal and administrative proceedings, such as litigations, injunctions and governmental investigations, may be expensive, time consuming or disruptive to our operations and distracting to management. In recognition of these considerations, we may enter into new or further agreements or other arrangements to settle litigation and resolve such disputes. No assurance can be given that such agreements can be obtained on acceptable terms or that litigation will not occur. These agreements may also significantly increase our operating expenses.

Our Directors have confirmed that, during the Track Record Period and up to the Latest Practicable Date, there were no legal or administrative proceedings pending or threatened against us or any of our Directors, Supervisors or executive officers that could, individually or in the aggregate, have a material effect on our business, financial condition or results of operations. However, new legal or administrative proceedings and claims may arise in the future. If one or more legal or administrative matters were resolved against us or an indemnified third party for amounts in excess of our management's expectations or certain injunctions are granted to prevent us from using certain technologies in our solutions, our business and financial conditions could be materially and adversely affected. Further, such an outcome could result in significant compensatory or punitive monetary damages, disgorgement of revenue or profits, remedial corporate measures, injunctive relief or specific performance against us that could materially and adversely affect our financial condition and results of operations. For further details regarding our legal proceedings and compliance matters, see "Business — Legal Proceedings and Compliance."

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

We have been subject to strict 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 and its implementing rules, employers are

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## RISK FACTORS

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subject to strict 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.

As the interpretation and implementation of labor-related laws and regulations may change, our employment practice could inadvertently violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

**Certain of the lease agreements of our leased properties have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines.**

As of the Latest Practicable Date, five out of our seven leased properties for our business operations in China had not been registered with the relevant PRC government authorities. As advised by our PRC Legal Advisor, failure to register such lease agreements with relevant PRC government authorities does not affect the effectiveness of the lease agreements, but the relevant PRC government authorities may order us to, within a prescribed time limit, register the lease agreements. Failure to do so may subject us to a fine ranging from RMB1,000 to RMB10,000 for each lease agreement. We estimate that the aggregate maximum amount of penalties for not registering such lease agreements would be RMB50,000. As of the Latest Practicable Date, we had not been ordered by any PRC government authorities to register any such lease agreements.

**Failure to renew our current leases at reasonable terms or to locate desirable alternatives for our offices and facilities could materially and adversely affect our business and results of operations.**

We may not be able to successfully extend or renew our leases upon the expiration of the current term on commercially reasonable terms, or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in significant relocation expenses, which could adversely affect our business, financial condition and results of operations. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, 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 facilities as our business continues to grow, and failure in relocating our affected operations could adversely affect our business and operations.

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## RISK FACTORS

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

We face various risks in connection with our business, and may lack adequate insurance coverage or have no relevant insurance coverage. In line with general market practice, we do not maintain any business interruption insurance or product liability insurance. We do not maintain keyman life insurance, insurance policies covering damages to our network infrastructures or information technology systems or any insurance policies for our properties other than for our vehicles. We have determined that the costs of insuring against these risks, and the difficulties associated with acquiring such insurance on commercially reasonable terms render such insurance impractical for our business and purposes. We believe we maintain insurance policies in line with industry standards. However, our current insurance coverage may not be sufficient to prevent us from any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected. If such risk materializes, we may also suffer substantial losses as we do not have such insurance coverage. See “Business — Insurance.”

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

Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases, including earthquakes, floods, droughts, COVID-19, avian influenza, severe acute respiratory syndrome, H1N1 influenza or Ebola virus, may materially and adversely affect our business, financial condition and results of operations. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activities in affected areas, which may, in turn, materially and adversely affect our business. We cannot assure you that any future occurrence of natural disasters or outbreaks of epidemics and contagious diseases, including COVID-19, avian influenza, severe acute respiratory syndrome, H1N1 influenza or other epidemics, or the measures taken by the PRC government or other countries in response to such contagious diseases, will not seriously disrupt our operations or those of our customers, which may materially and adversely affect our business, financial condition and results of operations.



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## RISK FACTORS

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### **RISKS RELATED TO CONDUCTING BUSINESS IN THE PRC**

**Changes in political and economic policies, as well as the interpretation and enforcement of law, rules and regulations, may affect our business, financial condition, results of operations and prospects.**

Due to our operations in the PRC, our business, financial condition, results of operations and prospects are affected by political, economic and legal developments in the PRC. Any of the foregoing would affect our business, financial condition, results of operations and prospects. We shall comply with the applicable PRC laws, rules and regulations. The relevant PRC laws, rules and regulations in force at present may be amended in the future, and their interpretation and implementation shall be determined in accordance with relevant laws and regulations in force at the time. Any non-compliance with any existing or new laws and regulations could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

**Fluctuations in the value of the Renminbi and other currencies may have a material adverse impact on your investment.**

During the Track Record Period, substantially all of our revenues and expenditures were denominated in Renminbi, while the net proceeds from the Global Offering will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi terms of the proceeds from the Global Offering. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the Renminbi and other currencies in the future.

As of the Latest Practicable Date, we had not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.



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## RISK FACTORS

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

Currently, the conversion and remittance of foreign currencies from Renminbi are subject to PRC foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by the SAFE.

Under existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, the foreign exchange policies regarding payment of dividends in foreign currencies may change from time to time in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements. If we fail to obtain approval from the SAFE to convert Renminbi into any foreign exchange for any of the above purposes, our capital expenditure plans, and even our business, operating results and financial condition, may be materially and adversely affected.

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

We are subject to periodic examinations on fulfillment of our tax obligations under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our business, financial condition or results of operations, as well as our reputation. Furthermore, PRC tax laws and regulations may be adjusted from time to time, which may also have an adverse effect on our business, financial condition and results of operations.

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## RISK FACTORS

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**Gains on the sales of H Shares and dividends on the H Shares may be subject to PRC income taxes.**

Under applicable PRC tax laws, both the dividends we pay to non-PRC resident individual holders of H shares (“**Non-Resident Individual Holders**”), and gains realized through the sale or transfer by other means of H shares by such shareholders, are subject to PRC individual income tax at a rate of 20%, unless reduced by applicable tax treaties or arrangements. And the dividends we pay to, and gains realized through the sale or transfer by other means of H shares by non-PRC resident enterprise holders of H shares are both subject to PRC enterprise income tax at a rate of 10%, unless reduced by applicable tax treaties or arrangements. With respect to Non-Resident Individual Holders, income received from dividends and bonuses of a foreign-invested enterprise, as well as that from transfer of stocks of listed companies are currently exempt from individual income tax pursuant to applicable PRC regulations. On February 3, 2013, the State Council approved and promulgated the *Notice of Suggestions to Deepen the Reform of System of Income Distribution* (《國務院轉批發展改革委等部門關於深化收入分配制度改革若干意見的通知》). On February 8, 2013, the General Office of the State Council promulgated the *Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution* (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》). According to these two documents, the PRC government may be introducing regulations or policies that have the effect of cancelling foreign individuals’ tax exemption for dividends obtained from foreign-invested enterprises. There is no assurance that any gains on the sales of our H Shares and the dividend thereon will not be subject to PRC income taxes in the future.

**Relevant legal procedures may need to be followed to effect service of process upon us or our Directors, Supervisors or executive officers who reside in China or to enforce against them in China any judgments obtained from non-PRC courts.**

As of the Latest Practicable Date, all of our executive Directors, Supervisors and executive officers resided within China, and substantially all of our assets were located within China. Similar to the difficulties faced by most of the countries around the world on effecting service of process and enforcing judgment obtained from foreign countries, investors may need to follow specific legal procedures to effect service of process upon us or our executive Directors, Supervisors and officers inside China or to enforce against us or them in China any judgments obtained from non-PRC courts.

China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may need to follow specific legal procedures.

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## RISK FACTORS

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**Increasing focus with respect to environmental, social and governance matters may impose additional costs on us or expose us to additional risks.**

The PRC government and public advocacy groups have been increasingly focused on environment, social and governance, or ESG, issues in recent years, making our business more sensitive to ESG issues and changes in governmental policies and laws and regulations associated with environment protection and other ESG-related matters. Investor advocacy groups, certain institutional investors, investment funds, and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Regardless of the industry, increased focus from investors and the PRC government on ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Any ESG concern or issue could increase our regulatory compliance costs. If we do not adapt to or comply with the evolving expectations and standards on ESG matters from investors and the PRC government or are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and the business, financial condition, and the Listing of our H Shares could be materially and adversely effected.

### **RISKS RELATED TO THE GLOBAL OFFERING**

**There has been no prior public market for our H Shares and there can be no assurance that an active market would develop, and the liquidity and market price of our H Shares may be volatile.**

Prior to the completion of the Global Offering, there has been no public market for our H Shares. There can be no guarantee that an active trading market for our H Shares will develop or be sustained after the completion of the Global Offering. The Offer Price is the result of negotiations between our Company, the Sole Overall Coordinator (for itself and on behalf of the Underwriters), which may not be indicative of the price at which our H Shares will be traded following completion of the Global Offering. The market price of our H Shares may drop below the Offer Price at any time after completion of the Global Offering.

We have applied for listing of and permission to deal in our H Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the H Shares will not decline following the Global Offering. In addition, the trading price and trading volume of the H Shares may be subject to significant volatility in responses to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as regulatory developments

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## RISK FACTORS

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affecting the relevant markets, industries and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our customers and suppliers, movements or activities of key personnel, or actions taken by competitors.

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

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

**You will incur immediate and significant dilution and raising additional capital may cause further dilution or restrict our operation.**

The Offer Price of the H Shares is higher than the net tangible asset value per H Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. There can be no assurance that if we were to immediately liquidate after the Global Offering, any assets will be distributed to our Shareholders after the creditors' claims. If we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a shareholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, limitations on our ability to acquire or license intellectual property rights or declaring dividends, or other operating restrictions.

**Our Controlling Shareholders have significant influence over us and their interests may not always be aligned with the interest of our other Shareholders.**

Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into certain transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or

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## RISK FACTORS

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prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

**Payment of dividends is subject to regulation under PRC law.**

Under PRC law, dividends may be paid only out of distributable profit. Distributable profit is our profit as determined under PRC GAAP or HKFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. We may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years.

In addition, we are required to comply with the dividend distribution rules prescribed by the PRC regulatory authorities when determining our dividend payout ratios. The PRC regulatory authorities may further amend the dividend distribution rules for listed companies in the future, which may significantly affect the amount of capital available to support the development and growth of our business.

Moreover, as the calculation of distributable profits under PRC GAAP is different from the calculation under HKFRS in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under HKFRS, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

**We cannot assure you that we will declare and distribute any amount of dividends in the future.**

There can be no assurance that we will declare and pay dividends because the declaration, payment and amount of dividends are subject to the discretion of our Directors, depending on, among other considerations, our operations, earnings, cash flows and financial position, operating and capital expenditure requirements, our strategic plans and prospects for business development, our constitutional documents and applicable law. For more details on dividend, see “Financial Information — Dividends” in this prospectus.

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## RISK FACTORS

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**The future conversion of Unlisted Shares into H Shares upon completion of the Global Offering could increase the supply of H Shares in the market and may negatively impact the market price of our H Shares.**

Our Unlisted Shares are currently not listed or traded on any stock exchange. Upon completion of the Global Offering, these Unlisted Shares will be converted into H Shares on a one-for-one basis. For details, see “History, Development and Corporate Structure” and “Share Capital” in this prospectus. The conversion of our Unlisted Shares will increase the number of H Shares available on the market. As a result, it may negatively affect the trading price of our H Shares due to the increased supply in the market.

**Certain statistics contained in this prospectus are derived from official government sources and are not independently verified by us. There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from official government sources that are contained in this prospectus.**

This prospectus, particularly the section headed “Industry Overview,” contains information and statistics relating to AI and related industries. Such information and statistics have been partially derived from official government sources. We believe that these are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of materials from official government sources. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Sole Global Coordinator, the Sole Overall Coordinator, the Underwriters or any other party involved in the Global Offering, and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information from official government sources is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

**Forward-looking statements contained in this prospectus are subject to risks and uncertainties.**

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

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## RISK FACTORS

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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.

**You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.**

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this prospectus, there may have been press and media coverage regarding us, our business, our industry and the Global Offering. There may be additional media coverage regarding us, our business, our industry and the Global Offering subsequent to the date of this prospectus but prior to the completion of the Global Offering. Such press and media coverage may include references to certain information that does not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the Global Offering has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it and you should not rely on such information.



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## **WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES**

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In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the Listing Rules.

### **WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG**

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by the Stock Exchange in its discretion.

Since our Group's headquarters and our principal business operations are based, managed and conducted in the PRC, all of our executive Directors and senior management members spend the majority of their time supervising our Group's principal business operations in the PRC and do not ordinarily reside in Hong Kong. Given that (i) our Group's principal business and operations are located, managed and conducted in the PRC through our PRC operating subsidiaries; (ii) none of our executive Directors is a Hong Kong permanent resident or is ordinarily based in Hong Kong; and (iii) our executive Directors will continue to be based in the PRC after the Listing to manage our business, our Company does not, and will not, in the foreseeable future, have a sufficient management presence in Hong Kong as required under Rules 8.12 and 19A.15 of the Listing Rules. As such, we do not, and in the foreseeable future will not, have a 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 agreed to grant, a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. The following arrangements have been made for maintaining regular and effective communication with the Stock Exchange:

- (i) we have appointed and will continue to maintain two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two appointed authorized representatives are Mr. Liao, our executive Director and Chairman, and Ms. Wong Hoi Ting (黃凱婷), one of our joint company secretaries. Ms. Wong Hoi Ting is situated and based in Hong Kong, and will be available to meet the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. In addition, the contact details of the two authorized representatives (including the office and mobile phone numbers, email addresses, correspondence address and facsimile numbers (if available)) have been provided to the Stock Exchange. Accordingly, each of the two authorized representatives of our Company will be readily contactable by the Stock Exchange by telephone and/or email to deal promptly with enquiries from the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any changes in the authorized representatives and/or their contact details. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange;



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## WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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- (ii) each of the two authorized representatives of our Company has means to contact all members of the Board (including the independent non-executive Directors) promptly at all times when the Stock Exchange wishes to contact the Directors for any matters. Each of the Directors (including the independent non-executive Directors) has provided his/her contact details (including their respective office and mobile phone numbers, email addresses and facsimile numbers (if available)) to the authorized representatives and the Stock Exchange pursuant to Rule 3.20 of the Listing Rules. Our authorized representatives have means for contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters (including means to communicate with the Directors when they are travelling). In addition, the Directors will provide valid phone numbers or means of communication to the authorized representatives in the event that they expect to travel and/or be out of office, and make themselves readily contactable by the authorized representatives;
- (iii) our Company has, in accordance with Rule 3A.19 of the Listing Rules, also appointed Altus Capital Limited as our compliance advisor upon the Listing, who will act as an additional channel of communication with the Stock Exchange. The compliance advisor will advise on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong for a period commencing on the Listing Date at least until the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our Company's financial results for the first full financial year after the Listing Date. Our Company will inform the Stock Exchange promptly of any changes of our compliance advisor. The compliance advisor will also be available to respond to enquiries from the Stock Exchange. We will ensure that the compliance advisor has prompt access to our Company's authorized representatives and Directors who will provide to the compliance advisor such information and assistance as the compliance advisor may need or may reasonably request in connection with the performance of the compliance advisor's duties;
- (iv) our Company will appoint other professional advisors (including legal advisors and accountants) to advise our Company on ongoing compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the Listing;
- (v) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives, our compliance advisor, the company secretary, or directly with our Directors within a reasonable time frame; and
- (vi) our Company has designated a senior staff member as the main contact person at our headquarters after the Listing who will be responsible for maintaining day-to-day communication with Ms. Wong Hoi Ting and our Company's professional advisors

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## **WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES**

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in Hong Kong, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our Board to further facilitate communication between the Stock Exchange and our Company.

### **WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES**

Pursuant to Rule 3.28 and Rule 8.17 of the Listing Rules, we must appoint an individual as the company secretary of our Company who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a member of The Hong Kong Chartered Governance Institute;
- (ii) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (iii) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (i) length of employment with the issuer and other issuers and the roles he/she played;
- (ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, 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 under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

Pursuant to paragraphs 12 and 13 of Chapter 3.10 of the Guide, the Stock Exchange will consider a waiver application by an issuer in relation to Rule 3.28 and Rule 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (i) whether the issuer has principal business activities primarily outside Hong Kong;

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## WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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- (ii) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under Chapter 3.10 of the Guide) nor Relevant Experience (as defined under Chapter 3.10 of the Guide) as a company secretary; and
- (iii) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to Chapter 3.10 of the Guide, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. Wang Li (王麗) (“**Ms. Wang**”), our chief financial officer, the secretary of the Board, and one of our executive Directors, as one of our joint company secretaries. Ms. Wang has extensive experience in financial and corporate management and is familiar with the internal administration procedures and our Group's day-to-day affairs but presently does not possess any of the qualifications under Rule 3.28 and Rule 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Wong Hoi Ting (黃凱婷) (“**Ms. Wong**”), who is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) in Hong Kong and The Chartered Governance Institute in the United Kingdom, and meets the requirements stipulated under Rule 3.28 and Rule 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Wang for an initial period of three years from the Listing Date to enable Ms. Wang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rule 3.28 and Rule 8.17 of the Listing Rules. Apart from discharging her functions in her role as one of the joint company secretaries of our Company, Ms. Wong will work closely and assist Ms. Wang in enabling her to acquire the relevant company secretary experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. In addition, Ms. Wang will attend relevant professional training during each financial year as required under Rule 3.29 of the Listing Rules. See “Directors, Supervisors and Senior Management” for further biographical details of Ms. Wang and Ms. Wong.

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## WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 3.28 and Rule 8.17 of the Listing Rules. Pursuant to Chapter 3.10 of the Guide issued by the Stock Exchange, the waiver is granted on following conditions:

- (i) Ms. Wang must be assisted by Ms. Wong, who possesses all the requisite qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period. Ms. Wong will work closely with Ms. Wang to jointly discharge duties and responsibilities as joint company secretaries and assist Ms. Wang to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules. In addition, we will ensure Ms. Wang has access to relevant training and support to familiarize herself with the Listing Rules and the duties required for a company secretary of a company listed on the Stock Exchange; and
- (ii) the waiver will be revoked if there are material breaches of the Listing Rules by our Company.

The waiver is valid for an initial period of three years from the Listing Date (the “**Initial Waiver Period**”). Before the end of the Initial Waiver Period, the qualifications and experience of Ms. Wang and the need for on-going assistance of Ms. Wong will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Ms. Wang, having benefited from the assistance of Ms. Wong for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Rules 3.28 and 8.17 of the Listing Rules and decide whether a further waiver will be necessary before the end of the Initial Waiver Period.

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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### **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 our Group. 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 in this prospectus misleading.

### **CSRC FILING**

On November 11, 2025, CSRC has issued a notification on our Company' completion of the PRC filing procedures for the Listing and the Global Offering. In issuing this notification, the CSRC does not accept responsibility for the financial soundness of our Company, or for the accuracy of any of the statements made or opinions expressed in this prospectus.

Our Company has completed all necessary filings with CSRC in the PRC in relation to the Listing and the Global Offering.

### **INFORMATION ABOUT 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 contains the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of initially 378,700 Offer Shares and the International Offering of initially 3,407,900 Offer Shares (subject to, in each case, reallocation on the basis referred to under the section headed "Structure of the Global Offering" in this prospectus and, in the case of the International Offering, to any exercise of the Over-allotment Option).

The Hong Kong 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 and therein. No person is authorised 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 and therein must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisers or any other party involved in the Global Offering.

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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Neither the delivery of this prospectus nor any offering, subscription, acquisition, sale or delivery made in connection with the H Shares shall, 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 at any date subsequent to the date of such information.

### **INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES**

The Company has applied for the filings for conversion of 26,647,978 Unlisted Shares into H shares. See the sections headed “History, Development and Corporate Structure” and “Share Capital — Conversion of unlisted Shares into H Shares” for details. Such H Shares to be converted from the Unlisted Shares are restricted from trading for a period of one year after the Listing pursuant to the PRC Company Law. The relevant filing and registration procedures in relation to the conversion of the Unlisted Shares have been completed on November 11, 2025.

### **UNDERWRITING**

The listing of our H Shares on the Stock Exchange is sponsored by the Sole Sponsor. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, subject to agreement on the Offer Price to be determined between the Sole Overall Coordinator (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date. The International Offering is managed by the Sole Overall Coordinator and is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or about December 19, 2025.

Further information about the Hong Kong Underwriters and the underwriting arrangements is set forth in the section headed “Underwriting.”

### **RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES**

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

No action has been taken to permit a public offering of the H Shares in any jurisdiction other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose 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 offer and sale of the H Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the H Shares have not been publicly offered or sold, directly or indirectly, in the PRC or the United States.

### **APPLICATION FOR LISTING ON THE STOCK EXCHANGE**

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

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

Dealings in our H Shares on the Stock Exchange are expected to commence on Tuesday, December 23, 2025. No part of our Shares is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on any other stock exchange as of the date of this prospectus. All the Offer Shares will be registered on the H Shares register of members of the Company in order to enable them to be traded on the Stock Exchange.

### **H SHARES WILL BE ELIGIBLE FOR ADMISSION TO CCASS**

Subject to the granting of the listing of, and permission to deal in, our H Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, our H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business 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 for our H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisor for details of those settlement arrangements and how such arrangements will affect their rights and interests.



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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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### **OVER-ALLOTMENT OPTION AND STABILIZATION**

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

### **H SHARE REGISTER OF MEMBERS AND STAMP DUTY**

All of the H Shares issued pursuant to applications made in the Hong Kong Public Offering and the International Offering and the H Shares converted from the Unlisted Shares will be registered on the H Share register of members of our Company to be maintained in Hong Kong. The principal register of members of our Company is maintained by us at our registered office in China.

Dealings in our H Shares registered in our H Share register of members will be subject to Hong Kong stamp duty.

### **PROFESSIONAL TAX ADVICE RECOMMENDED**

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposing of or dealing in our H Shares (or exercising any rights attached to them). None of us, the Sole Global Coordinator, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, affiliates or advisors or any other party involved in the Global Offering accepts responsibility for any tax effects or liabilities of any person resulting from the subscription, purchase, holding or disposal of, or dealing in, our H Shares (or the exercise of any rights attached to them).

### **REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES**

We have instructed our H Share Registrar, and our H Share Registrar has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless and until such holder delivers a signed form to our H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

- agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law, the Companies Ordinance, the Special Regulations and our Articles of Association;
- agrees with us, each of our Shareholders, Directors, Supervisors, managers and officers, and we, acting for ourselves and for each of our Directors, Supervisors, managers and officers agree with each of our Shareholders, to refer all differences and claims arising from our Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning our affairs to arbitration in accordance with



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## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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our Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which shall be final and conclusive. For more information, see the sections headed “Summary of Principal Legal and Regulatory Provisions” in Appendix IV and “Summary of the Articles of Association” in Appendix V to this prospectus;

- agrees with us and each of our Shareholders that the H Shares are freely transferable by the holders thereof; and
- authorizes us to enter into a contract on his behalf with each of our Directors, Supervisors, managers and officers whereby such Directors, Supervisors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association.

### EXCHANGE RATE CONVERSION

Unless otherwise specified, certain amounts denominated in Renminbi and U.S. dollars have been translated into Hong Kong dollars in this prospectus, solely for your convenience, at the following exchange rates as of the Latest Practicable Date:

US\$1.0	:	RMB7.0749
HK\$1.0	:	RMB0.9091
US\$1.0	:	HK\$7.7827

No representation is made that any amounts in Renminbi or U.S. dollars can be or could have been converted on the relevant dates at the above rates or any other rates, or at all.

### LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail unless otherwise stated.

Translated English names of PRC laws, regulations, governmental authorities, enterprises, natural persons or other entities and the like included in this prospectus and for which no official English translation exists are unofficial translations for identification purposes only. To the extent there is any inconsistency between the Chinese language and the English translation of the foregoing, the Chinese language shall prevail.

### 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.

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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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**DIRECTORS**

<b>Name</b>	<b>Residential Address</b>	<b>Nationality</b>
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**Executive Directors**

Mr. Liao Yu (廖峪)	702, Unit 1, Block 7 No. 43 Jin He Road Shuangliu District Chengdu, PRC	Chinese
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Mr. Tang Taike (唐泰可)	12-2-8-2, the airport campus of Southwest Minzu University No. 168, Wenxin Duan Da Jian Road Airport Development Zone Shuangliu District Chengdu, PRC	Chinese
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Mr. Liu Bo (劉波)	No. 33, 5/F, Unit 1 No. 4 Jingxiangzi Qingyang District Chengdu, PRC	Chinese
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Ms. Wang Li (王麗)	903, Unit 3, Block 2 No. 28 Wu Dong Qiao North Road Shuangliu District Chengdu, PRC	Chinese
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**Non-executive Directors**

Mr. Ruan Jianping (阮建平)	Room 301, Unit 2 Building 58, Hetian Shangcheng Binjiang District Hangzhou, PRC	Chinese
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Mr. Hua Zhangrong (華樟榮) (former name: Hua Zhangrong (華章榮))	22-1501, Poly East Bay Baiyang Street, Qiantang District Hangzhou, PRC	Chinese
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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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<b>Name</b>	<b>Residential Address</b>	<b>Nationality</b>
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**Independent non-executive Directors**

Ms. Cao Xiaoxue (曹曉雪)	Room 302, Unit 1 Building 1, Reli Community Intersection of Dongling South Street and Jingshui Road Nanguan District Changchun, PRC	Chinese
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Mr. Sang Yongsheng (桑永勝)	No. 803, 8/F, Building 3 No. 618 Hongji Xin Road Jinjiang District Chengdu, PRC	Chinese
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Mr. Bau Siu Fung (鮑小豐)	Flat B, 17/F Block 102, Stage 8 Broadway Mei Foo Sun Chuen, Mei Foo Kowloon Hong Kong	Chinese
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**SUPERVISORS**

<b>Name</b>	<b>Address</b>	<b>Nationality</b>
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Mr. Lin Renhui (林仁輝)	No. 601, 6/F Unit 2, Building 4 No. 58 Jin Lv Si Road Wuhou District Chengdu, PRC	Chinese
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Mr. Jiang Dengming (姜登明)	No. 1803, 18/F Building B, Jing Long International No. 9, Folin Road Chaoyang District Beijing, PRC	Chinese
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Mr. Wang Wei (王威) (former name: Wang Jian (王建))	No. 1, 8/F Unit 1, Building 17 No. 1311 Xiyuan Avenue Hi-Tech Zone Chengdu, PRC	Chinese
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## DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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For the biographies and other relevant information of our Directors and Supervisors, see “Directors, Supervisors and Senior Management” in this prospectus.

### PARTIES INVOLVED IN THE GLOBAL OFFERING

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

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

**Joint Bookrunners and  
Joint Lead Managers**

**Livermore Holdings Limited**  
Unit 1214A, 12/F  
Tower II Cheung Sha Wan Plaza  
833 Cheung Sha Wan Road, Kowloon  
Hong Kong

**Patrons Securities Limited**  
Unit 3214, 32/F., Cosco Tower  
183 Queen’s Road Central  
Sheung Wan  
Hong Kong

**Legal advisors to our Company**

As to Hong Kong law:  
**Eric Chow & Co. in Association with  
Commerce & Finance Law Offices**  
3401, Alexandra House  
18 Chater Road, Central  
Hong Kong

As to PRC law:  
**Beijing DeHeng Law Offices**  
12/F Tower B, Focus Place  
19 Finance Street  
Beijing, PRC

As to PRC data compliance:  
**DeHeng Shanghai Law Office**  
23F, Sinar Mas Plaza  
No 501 East Da Ming Road  
Shanghai, PRC

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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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	<p>As to U.S. export control and U.S. foreign investment laws: <b>DLA Piper Singapore Pte. Ltd.</b> 80 Raffles Place #48-01 UOB Plaza 1 Singapore 048624</p>
<b>Legal advisors to the Sole Sponsor and the Underwriters</b>	<p>As to Hong Kong law: <b>Norton Rose Fulbright Hong Kong</b> 38/F Jardine House 1 Connaught Place, Central Hong Kong</p> <p>As to PRC law: <b>Global Law Office</b> 15 &amp; 20/F, Tower 1 China Central Place 81 Jianguo Road Beijing, PRC</p>
<b>Auditor and reporting accountants</b>	<p><b>Ernst &amp; Young</b> <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong</p>
<b>Industry consultant</b>	<p><b>China Insights Industry Consultancy Limited</b> 10F, Block B Jing'an International Center 88 Puji Road, Shanghai, PRC</p>
<b>Receiving bank</b>	<p><b>CMB Wing Lung Bank Limited</b> 45 Des Voeux Road Central Hong Kong</p>

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## CORPORATE INFORMATION

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<b>Registered Office</b>	2F, Annex 201 No. 282, Wanshou West Road Wuhou District Chengdu Sichuan Province PRC
<b>Head Office and Principal Place of Business in PRC</b>	A9-4, Xin Gu Industrial Park No. 338, Guo Xin 4th Road Shuangliu District Chengdu Sichuan Province PRC
<b>Principal Place of Business in Hong Kong</b>	31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
<b>Company's Website</b>	<u><a href="http://www.nuobikan.com">www.nuobikan.com</a></u> <i>(The information on the website does not form part of this prospectus)</i>
<b>Joint Company Secretaries</b>	<b>Ms. Wang Li (王麗)</b> 903, Unit 3, Block 2 No. 28 Wu Dong Qiao North Road Shuangliu District Chengdu, PRC  <b>Ms. Wong Hoi Ting (黃凱婷)</b> <i>(ACG and HKACG)</i> 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong

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## CORPORATE INFORMATION

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### Authorized Representatives

**Mr. Liao Yu (廖峪)**  
702, Unit 1, Block 7  
No. 43 Jin He Road  
Shuangliu District  
Chengdu, PRC

**Ms. Wong Hoi Ting (黃凱婷)**  
(ACG and HKACG)  
31/F, Tower Two  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

### Audit Committee

Ms. Cao Xiaoxue (曹曉雪) (*Chairlady*)  
Mr. Bau Siu Fung (鮑小豐)  
Mr. Hua Zhangrong (華樟榮)

### Remuneration Committee

Mr. Bau Siu Fung (鮑小豐) (*Chairman*)  
Mr. Sang Yongsheng (桑永勝)  
Mr. Liao Yu (廖峪)

### Nomination Committee

Mr. Sang Yongsheng (桑永勝) (*Chairman*)  
Mr. Bau Siu Fung (鮑小豐)  
Mr. Tang Taike (唐泰可)

### Strategy Committee

Mr. Liao Yu (廖峪) (*Chairman*)  
Ms. Cao Xiaoxue (曹曉雪)  
Mr. Ruan Jianping (阮建平)  
Mr. Liu Bo (劉波)  
Mr. Hua Zhangrong (華樟榮)

### Compliance Advisor

**Altus Capital Limited**  
21 Wing Wo Street  
Central, Hong Kong

### H Share Registrar

**Tricor Investor Services Limited**  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### Principal Bank

**Bank of China Chengdu Chengdong Branch**  
No. 6-33, Jianhe Road  
Chenghua District  
Chengdu, Sichuan Province  
PRC

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## INDUSTRY OVERVIEW

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*The information and statistics contained in this section and other sections of this prospectus were extracted from different official government publications, available sources from public market research and from the market research report by CIC (the “CIC Report”), an independent industry consulting firm commissioned by us. The information from official government sources set out in this section has not been independently verified by us, the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers, employees, advisors, agents or representatives or any other party involved in the Global Offering and no representation is given as to its accuracy.*

### OVERVIEW OF CHINA’S AI AND “AI+” INFRASTRUCTURE SOLUTIONS INDUSTRY

#### The Evolution of AI and the “AI+” Era in China

Artificial intelligence (AI) emerged as a distinct field in the 1950s with the creation of the Turing Test. Initially confined to purely theoretical academic research, AI’s practical applications were somewhat limited. However, recent breakthroughs in technologies such as machine learning, neural networks, natural language processing, and digital twinning have transformed AI from an abstract concept into an indispensable tool.

China has risen to become the world’s second-largest AI market. AI expenditure in the country reached USD18.1 billion in 2024 and is expected to surge to USD47.0 billion by 2029. This strong investment trajectory highlights China’s expanding influence and pivotal role in shaping the global AI landscape.

The resulting AI momentum has led to the concept of “AI+,” which represents the extension of AI technologies into specialized applications across diverse industries. These sectors include transportation, urban management, energy, manufacturing, and entertainment. At the heart of this integration are foundation models — AI systems trained on vast datasets to perform a wide array of tasks across different modalities. These models serve as a versatile and robust foundation for developing specialized AI applications.

#### The Application-Driven Foundation Models in the “AI+” Era

As a cornerstone of the “AI+” concept, AI foundation models — also known as Large Models — are evolving from generalized AI frameworks to application-driven solutions tailored for diverse industries. These AI foundation models, including domain-specific models, multimodal models, and language models, offer advanced computational abilities, predictive insights, and automation features. They are increasingly geared towards practical utility and seamless integration into industry workflows, marking a new phase in the development of foundation models.



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## INDUSTRY OVERVIEW

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Despite these advances, foundation models face several challenges in their practical industry deployment:

***Lack of deep industry knowledge.*** Effectively deploying foundation models requires a deep understanding of the specific industry context in which they operate. Achieving this level of insight is challenging, as it involves navigating complex domain-specific issues and operational nuances that are often difficult to grasp without extensive industry experience and expertise.

***Restricted access to domain-specific data.*** Domain-specific data are vital for accurately training foundation models. However, such data is often not readily accessible or shared, as it is closely guarded by the organizations that own it. Corporations that have the ability to access or accumulate this data hold a significant advantage in developing and deploying domain-specific foundation models.

***Challenges in bridging cross-disciplinary talent gap in AI deployment.*** Successfully deploying foundation models requires aligning AI capabilities with industry-specific needs, but AI developers often lack deep domain knowledge, while industry experts may have limited understanding of AI technologies. This gap creates barriers to effective collaboration and makes seamless integration challenging.

***Challenges in system integration.*** Incorporating foundation models into existing business systems and workflows can be complex and time-consuming. Ensuring compatibility and smooth operation within legacy systems or across various platforms requires significant effort and customization, potentially delaying deployment.

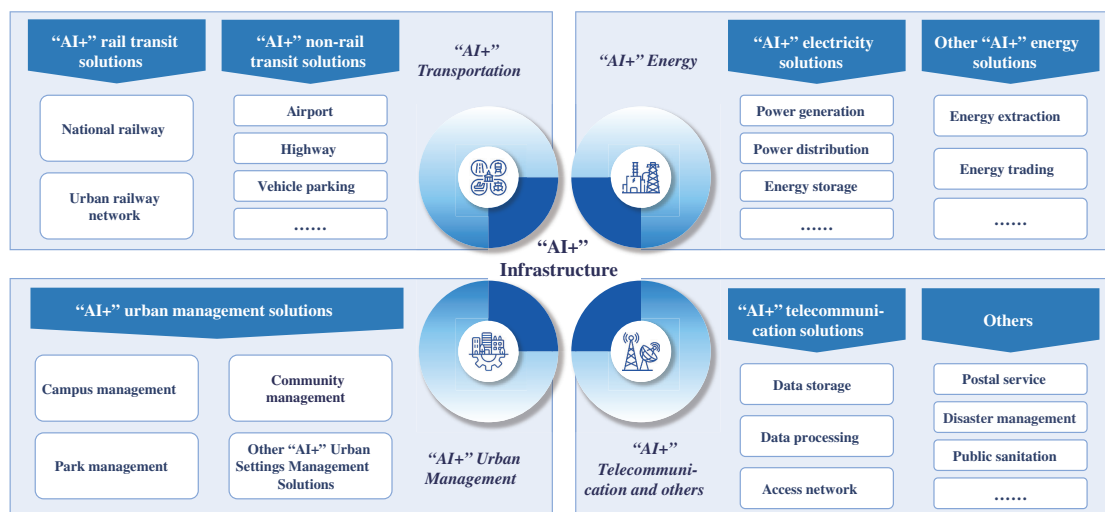
To address these challenges, new technological trends are emerging, such as domain-specific AI solutions and multimodal integration, paving the way for deeper industry integration. As AI technologies merge with sectors like transportation, energy, urban management, manufacturing, and entertainment, they contribute to innovation and open up new opportunities for AI applications. In this evolving landscape, enterprises with deep industry expertise and access to high-quality, domain-specific data will be better positioned to lead in deploying foundation models and harnessing the full value of AI technologies.

## INDUSTRY OVERVIEW

### Overview of China's "AI+" Infrastructure Solutions Industry

The infrastructure refers to the fundamental systems and structures that support the functioning of a society, including transportation, energy, urban management, telecommunication and others. It encompasses both tangible and intangible elements. Tangible infrastructure consists of physical structures, while intangible infrastructure encompasses the software and networks that support these structures. "AI+" infrastructure solutions leverage advanced AI technologies to enhance operational capabilities, offering use cases at various stages of maturity along the value chain. Mature applications include predictive maintenance to identify potential failures and optimize equipment inspection, while emerging use cases involve dynamic resource allocation and adaptive system control to improve overall efficiency. By integrating "AI+" solutions, infrastructure providers can refine decision-making, optimize equipment inspection, and proactively identify potential risks.

#### "AI+" infrastructure solution potential use cases in each segment



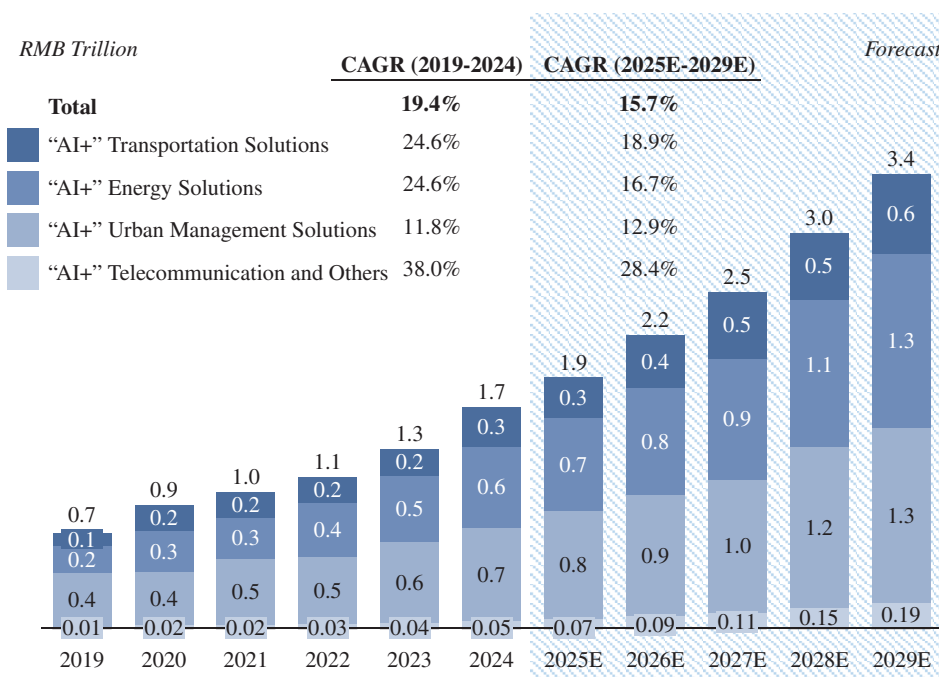
Source: the CIC report

Key categories within this sector include "AI+" transportation, "AI+" energy, and "AI+" urban management, "AI+" telecommunication, and others. Notably, AI integration in transportation, energy, and urban management has advanced considerably, while sectors like telecommunications still offer substantial potential for growth and further exploration.

China's "AI+" infrastructure solutions industry has experienced steady growth, with the market size expanding from RMB0.7 trillion in 2019 to approximately RMB1.7 trillion in 2024 with a CAGR of 19.4%. This upward trajectory is expected to continue, with the market projected to increase from RMB1.9 trillion in 2025 to RMB3.4 trillion by 2029, reflecting a CAGR of 15.7%.

## INDUSTRY OVERVIEW

### Market Size of China's "AI+" Infrastructure Solutions Industry, 2019-2029E



Source: the CIC Report, Ministry of Transport, National Energy Administration, Ministry of Civil Affairs

Note: The "AI+" telecommunication sector involves the integration of AI technologies into core telecommunication facilities, including data storage and processing infrastructure and access network infrastructure. Other "AI+" infrastructure solutions include "AI+" postal services, "AI+" disaster management, "AI+" public sanitation, etc. All the CAGR data is calculated based on the presented data.

The market drivers and future trends in the "AI+" infrastructure solutions industry include:

**Rising demand for efficient infrastructure management.** Increasing urbanization, resource constraints, and higher citizen expectations are driving the need for greater efficiency in infrastructure management. This growing demand is accelerating the adoption of "AI+" solutions. For instance, Hangzhou recently introduced AI-driven fault prediction and recognition technologies, improving road defect identification efficiency by 45%. Similarly, Shenzhen deployed intelligent sanitation robots in Shijing Street, which now clean 71% of the area's total surface. AI technologies are being embraced to enhance infrastructure management and operational efficiency.

**Broadening scope of "AI+" applications.** "AI+" infrastructure solutions are evolving from single-use cases, like energy consumption analysis, to more comprehensive solutions, such as integrated energy monitoring platforms. This expansion enhances the overall management of complex infrastructure systems and promotes more cohesive operations.

## INDUSTRY OVERVIEW

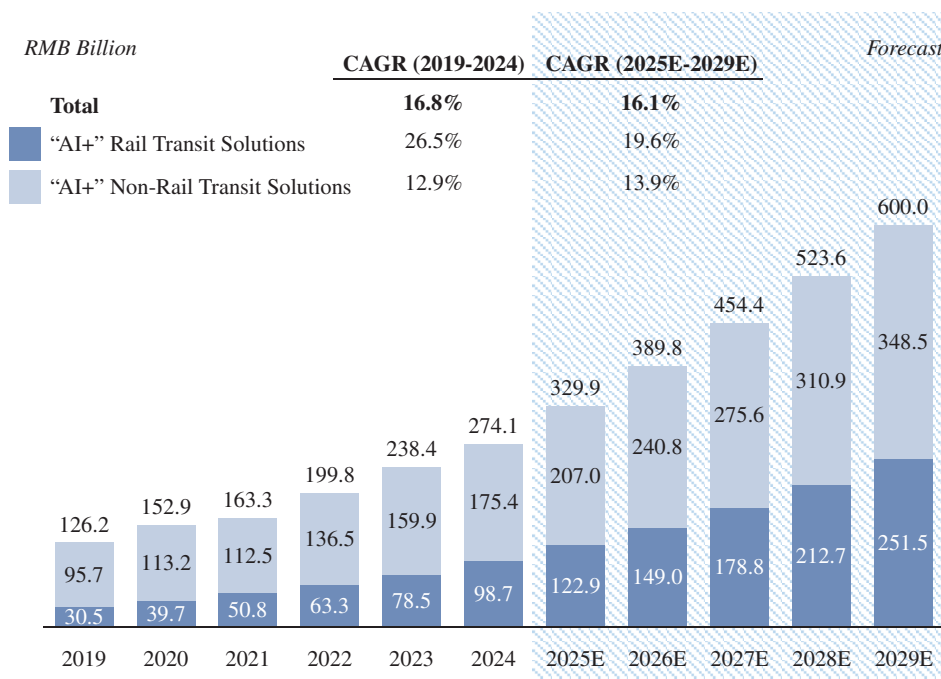
**Enhanced “AI+” capabilities through technological advancements.** Ongoing advancements in data processing, computational power, and algorithms, coupled with innovations in domain-specific AI models and multimodal integration, are boosting the capabilities of “AI+” infrastructure solutions. These advancements are making AI applications more efficient, accurate, and scalable, which will further propel the growth and integration of “AI+” solutions, leading to smarter and more efficient infrastructure systems. For example, Federated learning models and transformer-based systems are now deployed to improve environmental monitoring.

### OVERVIEW OF CHINA’S “AI+” TRANSPORTATION SOLUTIONS INDUSTRY

“AI+” transportation solutions enhance traditional transportation systems by deeply integrating technologies such as the Internet of Things (IoT), cloud computing, big data, and artificial intelligence. This comprehensive integration empowers transportation systems with advanced capabilities for perception, connectivity, analysis, prediction, and control.

In 2024, the market size of China’s “AI+” transportation solutions reached approximately RMB274.1 billion and is forecast to grow from RMB329.9 billion in 2025 to RMB600.0 billion by 2029, reflecting a CAGR of 16.1%. Notably, rail transit solutions, which encompass AI applications for both national railway networks and urban railway systems, contributed about RMB98.7 billion in 2024, representing around 36% of the overall “AI+” transportation solutions market.

#### Market Size of China’s “AI+” Transportation Solutions Industry, 2019-2029E



Source: the CIC Report, Ministry of Transport

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## INDUSTRY OVERVIEW

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*Note:* “AI+” non-rail transit solutions include AI applications in areas such as smart airports and smart parking. All the CAGR data is calculated based on the presented data.

Within the “AI+” non-rail transit solutions category, “AI+” city transportation is steadily advancing but remains at varying stages of adoption, influenced by differences in digital infrastructure and local policy priorities. Leading cities have achieved implementation of “AI+” city transportation solutions such as AI-driven adaptive signal control and road defects identification systems. Xi’an, for example, has implemented an intelligent transportation system in the Qujiang New District, reducing traffic congestion by 7.7% through advanced real-time AI optimization and traffic flow prediction technologies. In addition, “AI+” airport solutions are emerging as a rapidly evolving subsegment, with AI-driven docking systems and automated baggage loading systems being implemented in major airports. These developments position AI+ airport solutions as a promising driver of growth within the “AI+” transportation market.

### Market Challenges of China’s “AI+” Transportation Solution Industry

***Challenges in integration and data interoperability:*** China’s transportation ecosystem spans highways, railways, urban transit systems, and so on, each of these operates under distinct technical standards, system architectures and management frameworks. Consequently China’s “AI+” transportation solutions require not only seamless technical integration but also data exchange across different stakeholders, operators, and public authorities. Fragmented data sources, data ownership considerations, and varying privacy and security policies add further complexity, making it challenging to ensure system-wide operations.

***High safety and reliability requirements:*** Transportation is a safety-critical sector in which system reliability directly influences public safety. AI-enabled perception and decision-making systems must undergo extensive validation, scenario testing and continuous performance monitoring. Strict certification and regulatory standards lead to prolonged development and approval cycles, increasing costs and slowing large-scale adoption despite strong operational demand.

***Operational complexity of real-time environments:*** Unlike static infrastructure sectors, transportation involves continuous real-time interactions among vehicles, road systems and human behavior. AI systems must maintain high responsiveness and predictive accuracy under dynamic and uncertain conditions such as traffic congestion, weather disruptions and emergency scenarios. Guaranteeing performance robustness in such environments remains a major technical challenge and requires ongoing model optimization and operational refinement.

### **China's Extensive Railway Network Forms a Solid Foundation for the Rail Transit Inspection and Monitoring Market**

By the end of 2024, China's national railway network spanned an impressive 162 thousand kilometers, including 48 thousand kilometers of high-speed railway. Over the year, passenger trips totaled 4.3 billion, while freight volume reached 5.2 billion tonnes. Furthermore, China's urban railway network, the largest and busiest globally, spans over 12 thousand kilometers, incorporating diverse forms such as subways, light rails, monorails, and regional rapid transit systems.

The rail transit inspection and monitoring sector is poised for expansion due to two primary factors: the construction of new national railway and urban railway network, and the increasing need to maintain aging existing lines. However, traditional rail transit inspection and monitoring methods face several challenges:

***Safety risks for inspection personnel.*** Traditional rail transit inspection and monitoring rely heavily on manual inspections carried out by personnel. This approach exposes workers to considerable safety risks, including potential collisions with moving trains, contact with electrified tracks, and exposure to harsh weather conditions, making it a hazardous and less desirable method.

***Geographical constraints in inspection.*** China's vast and varied landscape presents significant challenges for traditional rail transit inspection and monitoring methods. The diverse terrain conditions demand highly versatile and robust inspection solutions to ensure safety and reliability across all types of environments.

***Underutilized and limited data.*** Data collected from traditional inspection and monitoring methods is often insufficiently detailed and incomplete. Moreover, the lack of system integration means that data is siloed across different platforms, making it difficult to aggregate and fully utilize. As a result, opportunities for proactive interventions are missed, leading to inefficiencies in equipment management.

***Inefficiencies of manual operations.*** Traditional rail transit inspection and monitoring methods rely heavily on manual operations, lacking real-time monitoring. This results in delayed responses to accidents or system failures, leading to prolonged service disruptions and higher emergency costs. The dependence on human experience further creates inefficiencies, inconsistencies, and errors, highlighting the inadequacy of these methods in meeting the demands of modern railway network.

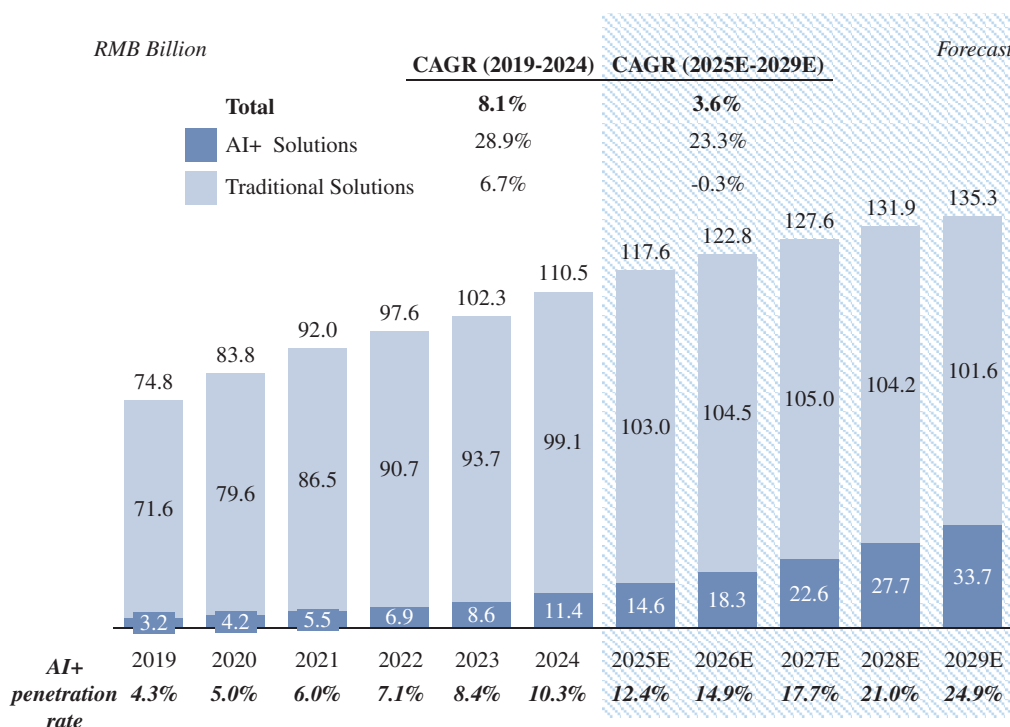
## INDUSTRY OVERVIEW

### Overview of “AI+” Rail Transit Inspection and Monitoring Solutions Industry

The “AI+” rail transit inspection and monitoring solutions industry leverages advanced AI technologies to transform the assessment and oversight of critical rail transit components, including track conditions, track power supply, train carriages, train stations, and surrounding track environments. These solutions provide continuous, real-time monitoring and analysis, significantly enhancing the safety, efficiency, and reliability of rail operations.

In 2024, the market size of the “AI+” rail transit inspection and monitoring solutions industry reached approximately RMB11.4 billion, which accounted for 11.6% of China’s “AI+” rail transit solutions industry, and is expected to grow from RMB14.6 billion in 2025 to RMB33.7 billion by 2029, accounted for 13.4% of China’s “AI+” rail transit solutions industry. The impressive CAGR of China’s “AI+” rail transit inspection and monitoring solutions industry is expected to reach 23.3%, significantly outpacing the growth of traditional rail transit inspection solutions. This expansion reflects a rise in the proportion of AI+ solutions from 10.3% in 2024 to 24.9% in 2029. This sharp rise is driven by factors such as the ongoing replacement of traditional equipment with AI-enabled systems, as well as the increasing demand for smarter, more efficient monitoring solutions. A key area of this replacement is the “AI+” traction power supply inspection and detection system, which has emerged as a critical driver of the market’s rapid expansion. As AI technologies continue to be integrated into newly installed and upgraded systems, the AI penetration is expected to accelerate even further.

### Market Size of China’s “AI+” and Traditional Rail Transit Inspection and Monitoring Solutions Industry, 2019-2029E



Source: the CIC Report, Ministry of Transport



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## INDUSTRY OVERVIEW

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The “AI+” traction power supply inspection and detection system, which constitutes an important segment of China’s “AI+” rail transit inspection and monitoring industry and accounts for nearly 20% of the market share, is experiencing rapid growth. In the national railway sector, the standardized framework for traction power supply inspection and detection system, known as the 6C system, has been established. This system comprises six types of specialized device systems — 1C through 6C — each fulfilling specific inspection and detection functions: Comprehensive Pantograph and Catenary Monitor Device (1C), Catenary-Checking Video Monitor Device (2C), Catenary-Checking On-Line Monitor Device (3C), High Precision Catenary-Checking Monitor Device (4C), Pantograph Video Checking Device (5C), Ground Monitor Device for Catenary and Power Supply Equipment (6C). Data collected by these device systems is centralized in the comprehensive data processing center. The 6C system enables comprehensive, full-coverage inspection and detection for railway traction power supply, emphasizing proactive prevention, advanced diagnostics, dynamic monitoring, and maintenance guidance. Notably, AI integration is rapidly advancing in the 2C and 4C device systems, with further adoption anticipated in these areas as well as across other device systems within the 6C system.

In 2024, the market size of the “AI+” traction power supply inspection and detection system reached RMB2.2 billion, accounted for 2.2% of China’s “AI+” rail transit solutions industry. China’s traction power supply inspection and detection system market, including both traditional and AI+ solutions, was valued at RMB10.1 billion in 2024. By 2029, the “AI+” traction power supply inspection and detection system is expected to expand to RMB5.6 billion, with the total traction power supply inspection and detection system market projected to reach RMB13.6 billion. This growth reflects an increase in AI penetration from 21.8% in 2024 to 41.2% by 2029. The rapid rise in AI adoption is driven by factors such as greater demand for real-time monitoring and predictive maintenance and growing government initiatives supporting smart infrastructure. As AI becomes an integral part of new installations and system upgrades, its penetration is expected to continue accelerating, reshaping the future of traction power supply inspections and gradually phasing out traditional methods.

The “AI+” rail transit inspection and monitoring solutions industry has demonstrated the following major market trends:

***Emergence of domain-specific AI models in rail transit.*** The increasing use of domain-specific AI models is a significant trend. These specialized models facilitate better coordination across the entire railway network. As rail systems become more complex, these models are essential for optimizing performance and reducing inefficiencies.

***Advancing data integration.*** A growing trend in the industry is the integration of multimodal and cross-system data among different rail transit inspection systems. This approach reduces data silos and enhances the value derived from data by enabling comprehensive analysis and decision-making, which improves operational efficiency and system-wide insights.



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## INDUSTRY OVERVIEW

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**Adoption of emerging technologies.** The incorporation and experimentation with new technologies, such as Geographic Information Systems (GIS), image recognition technology, and other advanced analytics tools, represent a forward-looking trend in the industry. The integration of these tools is expected to play a crucial role in enhancing operational capabilities.

**Expansion of “AI+” applications beyond rail transit.** “AI+” applications are extending from rail transit to a broader range of transportation scenarios, such as traffic management. This expansion drives AI adoption across diverse contexts, highlighting AI’s growing role in the wider transportation industry.

### COMPETITIVE LANDSCAPE OF CHINA’S “AI+” RAIL TRANSIT INSPECTION AND MONITORING SOLUTIONS INDUSTRY AND TRACTION POWER SUPPLY INSPECTION AND DETECTION SYSTEM MARKET

#### Competitive Landscape of China’s “AI+” Rail Transit Inspection and Monitoring Solutions Industry

The competitive landscape of China’s “AI+” rail transit inspection and monitoring solutions industry is fragmented, with different players specializing in areas such as traction power supply inspection, track monitoring, and signal system inspection. Compared to urban railway, where local metro companies manage operations, the national railway market has higher entry barriers due to stricter regulatory requirements.

The Company ranked third in the “AI+” rail transit inspection and monitoring solutions industry and is one of the few leveraging domain-specific foundation models for precise diagnostics and fault prediction.

#### Competitive Landscape of China’s “AI+” Rail Transit Inspection and Monitoring Solutions Industry, 2024

Ranking	Company	Sales Revenue	Market Share
<i>(in million RMB)</i>			
1 .....	Company A	~270	~2%
2 .....	Company B	~260	~2%
3 .....	<b>The Company</b>	<b>209</b>	<b>1.8%</b>
4 .....	Company C	~180	~2%
5 .....	Company D	~160	~1%
6 .....	Company E	~130	~1%
7 .....	Company F	~100	~1%
8 .....	Company G	~90	~1%
9 .....	Company H	~90	~1%
10 .....	Company I	~90	~1%

## INDUSTRY OVERVIEW

Ranking	Company	Sales Revenue	Market Share
		<i>(in million RMB)</i>	
Subtotal . . . . .		~1,579	~13.8%
Total market size . .		RMB11.4 billion	100%

*Source: the CIC Report*

*Notes:*

1. Founded in 2002 and headquartered in Beijing, Company A's main business is in advanced electrification equipment, while its intelligent rail transit solutions focus specifically on traction power supply inspection and railway environment monitoring. It was listed on Shenzhen Stock Exchange in 2009.
2. Founded in 2006 and headquartered in Sichuan, Company B specializes in intelligent rail transit systems and solutions, with a focus on railway environment monitoring and vehicle operating inspection. It was listed on Shenzhen Stock Exchange in 2015.
3. Founded in 2003 and headquartered in Heilongjiang, Company C is a supplier of rail transit safety equipment, specializing in vehicle operating inspection.
4. Founded in 2015 and headquartered in Shaanxi, Company D is a provider specialized in offering comprehensive digital and intelligent solutions for the rail transit industry.
5. Founded in 2004 and headquartered in Guangdong, Company E is a supplier of intelligent equipment and real-time safety monitoring systems, with a focus on vehicle operating inspection and traction power supply inspection.
6. Founded in 2000 and headquartered in Sichuan, Company F is a supplier of intelligent maintenance solutions, focusing on vehicle operating inspection and railway environment monitoring.
7. Founded in 1997 and headquartered in Beijing, Company G supplies rail transit monitoring, inspection, operation, maintenance, and repair products, while its intelligent rail transit solutions focus on railway environment monitoring and vehicle operating inspection.
8. Founded in 2018 and headquartered in Guangdong, Company H specializes in industrial design of automation equipment, software development, system integration, and technical consulting services for the rail transit and general industrial sectors.
9. Founded in 1998 and headquartered in Guangdong, Company I supplies intelligent products for operational safety processes, with a focus on vehicle operating inspection.

### **Competitive Landscape of China's "AI+" Rail Transit Inspection and Monitoring Solutions Industry — Traction Power Supply Inspection and Detection System**

The Company was the second largest "AI+" traction power supply inspection and detection system provider in China by sales revenue in 2024.

## INDUSTRY OVERVIEW

### Competitive Landscape of China's "AI+" Traction Power Supply Inspection and Detection System Market, 2024

Ranking	Company	Sales Revenue	Market Share
<i>(in million RMB)</i>			
1 . . . . .	Company A	~190	~9%
2 . . . . .	<b>The Company</b>	<b>127</b>	<b>5.9%</b>
3 . . . . .	Company J	~120	~5%
4 . . . . .	Company B	~30	~1%
5 . . . . .	Company K	~30	~1%
Subtotal . . . . .		~497	~21.9%
Total market size . . .		RMB2.2 billion	100%

*Source: the CIC Report*

*Notes:*

1. Founded in 2010 and headquartered in Sichuan, Company J is a supplier of traction power supply systems and intelligent maintenance systems. It was listed on the Shenzhen Stock Exchange in 2015.
2. Founded in 2019 and headquartered in Henan, Company K is a supplier of intelligent inspection systems for the railway traction power supply system.

Key success factors in China's "AI+" rail transit inspection and monitoring solutions market include:

**Profound industry know-how.** A deep understanding of the specific operational challenges and regulatory requirements of the rail industry is essential. Companies need in-depth knowledge of rail systems, safety standards, and maintenance practices to tailor AI solutions that are both technically advanced and highly relevant to the rail sector.

**Integration of cross-industry knowledge.** Successfully integrating AI technologies across industries can be a significant advantage in the "AI+" rail transit inspection and monitoring solutions market. By incorporating insights and operational strategies from these industries, market players can develop more innovative and effective solutions tailored to the complex needs of rail transit.

**Customer-centric solution implementation.** Close collaboration with rail operators to tailor AI solutions to specific operational needs is vital. A deep understanding of the client's business processes and challenges allows for customized solutions that are practical and immediately beneficial.

## INDUSTRY OVERVIEW

**Leveraging emerging technologies by continuous R&D.** Staying at the forefront of technological advancements in AI and related fields is crucial. Enterprises that continuously invest in R&D are better positioned to innovate and improve their offerings. This not only helps in maintaining a competitive edge but also ensures that the solutions are scalable, adaptable, and capable for meeting future demands as rail industry standards and technologies evolve.

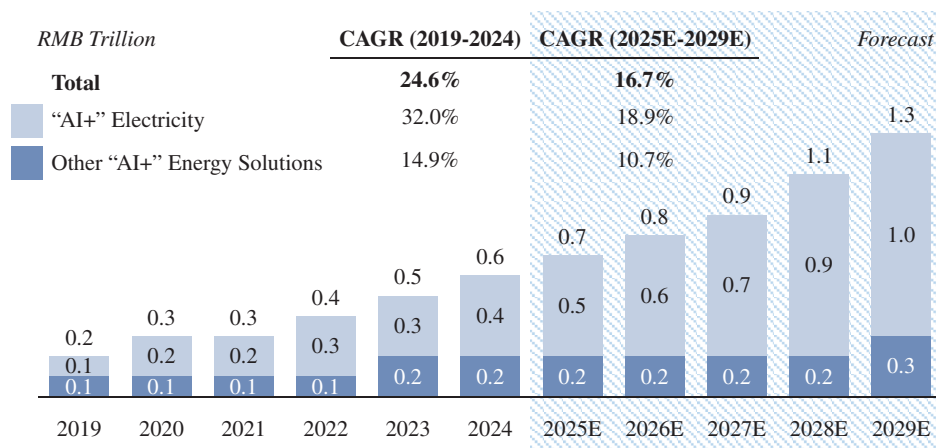
### OVERVIEW OF CHINA'S "AI+" ENERGY SOLUTIONS INDUSTRY

The "AI+" energy solutions industry harnesses advanced AI technologies across diverse energy sectors, addressing the complete energy lifecycle. This encompasses the extraction and generation, transportation, storage, and consumption of various energy sources, including oil, coal, natural gas, and electricity. By harnessing AI-driven insights and automation, these solutions enable superior decision-making, predictive maintenance, and real-time management. This makes "AI+" energy solutions indispensable for meeting future energy demands and stringent environmental standards. Consequently, "AI+" energy solutions are key to advancing the energy industry towards greater efficiency and sustainability.

In 2024, the market size for China's "AI+" energy solutions reached approximately RMB0.6 trillion. Projections indicate substantial growth, with the market expected to increase from RMB0.7 trillion in 2025 to RMB1.3 trillion by 2029, representing an impressive CAGR of 16.7%.

"AI+" electricity solutions constitute a significant component within the spectrum of "AI+" energy solutions. In 2024, AI+ solutions in the generation, distribution, consumption, storage, and management of electricity accounted for 66.7% of the total energy market, with this share expected to rise to 76.9% by 2029. The application of AI technologies in this sector is enhancing grid efficiency and driving sustainability through smarter management, predictive maintenance, and real-time optimization.

#### Market Size of China's "AI+" Energy Solutions Industry, 2019-2029E



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## INDUSTRY OVERVIEW

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*Source: the CIC Report, National Energy Administration*

*Note:* Electricity generation encompasses various methods, including thermal, hydro, solar, and others. Other “AI+” energy solutions include AI integration in the extraction, transportation, storage, and end-use consumption of oil, coal, natural gas, and other energy sources.

### Market Drivers and Future Trends of China’s “AI+” Energy Solutions Industry

The market drivers and future trends in the “AI+” energy solutions industry include:

***Urbanization-driven energy demands.*** As urban populations increase, energy usage and the demand for stable energy supply surges, requiring more sophisticated and efficient energy distribution systems. AI-driven energy solutions help optimize energy distribution in expanding cities and improve the efficiency of urban energy management systems, meeting the complex demands of modern urban environments. For instance, China Southern Power Grid, serving megacities like Guangzhou and Shenzhen, has integrated Huawei’s Ascend AI-powered edge-computing at 110kV substations.

***Environmental and sustainability demands.*** Increasing awareness for environmental protection and sustainable development is pushing the energy sector towards smarter solutions. In 2024, around 35% of global electricity supply is generated by renewable energy. By 2050, renewable energy is expected to contribute more than 88% of the global electricity supply. AI-driven solutions facilitate the optimization of the energy mix, enabling the strategic reduction of dependency on fossil fuels and enhancing the use of cleaner energy sources. To accommodate this demand, operators tend to start deploying AI-enabled “carbon intensity dispatch” system, which helps utilities meet tightening ESG targets and government mandates.

***Government-backed energy innovation.*** Governmental support for green energy and sustainable practices is a significant driver of the “AI+” energy solutions market. For example, the *14th Five-Year Plan for Renewable Energy Development* promotes the integration of renewable energy with AI, IoT, and blockchain, and mandates the strengthening of integrated “source-grid-load-storage” systems. This policy encourages the development of smart, interconnected, and efficient energy systems, creating fertile ground for innovation and investment in “AI+” energy solutions. As a prime example, China Southern Power Grid and Huawei successfully deployed the country’s first prefabricated modular AI data center on a power plant site in just 32 days, cutting construction waste by 80%.

***Adoption of digital twins and foundation models.*** Digital twins and AI foundation models are revolutionizing the power grid sector by enabling the integration of comprehensive data sets across the energy chain. These technologies facilitate deeper insights and more accurate predictions, driving strategic decisions that enhance sector-wide coherence and efficiency.

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## INDUSTRY OVERVIEW

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### Market Challenges of China's "AI+" Energy Solutions Industry

***Difficult to integrate with existing power grid infrastructure.*** AI+ energy solutions require seamless integration with highly complex power grid systems, which involves understanding and addressing intricate grid operations such as load balancing, energy transmission, and fault detection. Ensuring compatibility and stability across legacy infrastructure while deploying advanced AI technologies poses significant operational challenges.

***High standards for validation and testing.*** The energy sector's critical nature demands that AI solutions undergo extensive validation and testing to ensure reliability, safety, and performance. Meeting strict regulatory and operational standards is a necessary but resource-intensive process, often requiring prolonged development and deployment cycles.

***Evolving regulatory landscape.*** As the adoption of AI in energy accelerates, regulatory frameworks are continuously evolving. Companies must adapt to these changes while ensuring compliance with stringent safety and performance requirements, which can introduce uncertainty and additional costs.

### Competitive Landscape of China's "AI+" Energy Solutions Industry

The competitive landscape of China's "AI+" energy solutions industry is marked by fragmentation and diversity, with a wide array of players involved across the various stages of the energy lifecycle. In 2024, the top five companies occupied a total market share of approximately 16%, highlighting its decentralised nature. Traditional energy corporations are actively developing and integrating AI-powered solutions into their operations, adopting AI technologies to enhance their capabilities in areas such as predictive maintenance, smart grids, and energy optimization. These companies leverage their established infrastructure and resources to deploy AI-driven solutions at scale. In the "AI+" electricity sector, particularly in power distribution, approximately 20 companies achieve annual revenues exceeding RMB1.0 billion.

In contrast, many AI-focused companies specialize in AI-enabled products that are incorporated into energy solutions through partnerships with system integrators or distributors. These smaller firms often offer specialized innovations, such as real-time energy management and optimization, which are then integrated into larger energy projects by system integrators. This division between traditional energy companies adopting AI and AI-centric firms contributing specialized solutions creates a dynamic and competitive market, providing opportunities for both major players and emerging startups.

## OVERVIEW OF CHINA'S "AI+" URBAN MANAGEMENT SOLUTIONS INDUSTRY

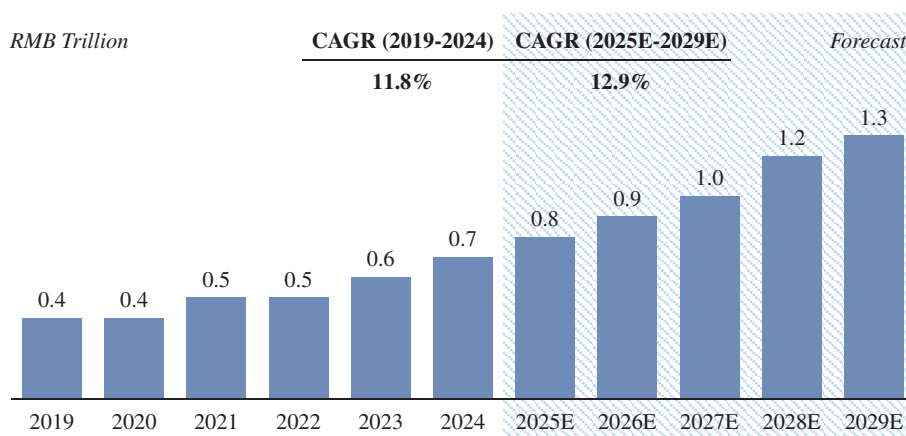
China's "AI+" urban management solutions utilize advanced AI technologies, alongside IoT and cloud computing, to improve the functionality and livability of urban environments. These solutions enhance the management of critical infrastructure related to residents'

## INDUSTRY OVERVIEW

everyday activities — encompassing community spaces, educational institutions, work spaces, healthcare facilities, recreational areas and others. By leveraging real-time data collection, predictive maintenance, and automated decision-making, AI+ solutions enable city officials to optimize resource allocation and streamline operations, ultimately fostering vibrant and efficient urban communities.

In 2024, the market size for China’s “AI+” urban management solutions was approximately RMB0.7 trillion, and is expected to increase from RMB0.8 trillion in 2025 to RMB1.3 trillion by 2029, reflecting a CAGR of 12.9%.

### Market Size of China’s “AI+” Urban Management Solutions Industry, 2019-2029E



Source: the CIC Report, Ministry of Civil Affairs

### Market Drivers and Future Trends of China’s “AI+” Urban Management Solutions Industry

**Rapid urbanization and increasing population density.** China’s ongoing population surge in urban areas is a primary driver for “AI+” adoption in urban management solutions. As cities expand, challenges in resource allocation, public safety, and infrastructure management become more complex, requiring AI-powered solutions for sustainable urban development. Additionally, the rising demand for an improved quality of life further accelerates the adoption of AI technologies in areas like surveillance, emergency response, and real-time monitoring, enhancing convenience and safety for residents.

**Government investment in “AI+” urban management.** Strong government support through strategic policies and investments is accelerating the “AI+” urban management solutions market. The *Guiding Opinions on Deepening Smart City Development and Promoting City-Wide Digital Transformation* policy, issued by the National Development and Reform Commission and other key agencies in May 2024, emphasizes the creation of unified digital infrastructures for urban governance. It promotes the integration of AI technologies to build cohesive digital platforms and provides financial incentives and a favorable regulatory

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## INDUSTRY OVERVIEW

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environment to speed up AI adoption in urban management. The guidance mandates not only technical unity but also legal and institutional innovations — including data property rights frameworks and cross-agency standardization — to support AI deployment in city services.

***Rise of integrated “AI+” urban platforms.*** A growing trend in the industry is the expansion of integrated “AI+” urban platforms that unify various AI-driven systems. These platforms encompass public safety, waste management, and energy efficiency. As urban complexities increase, the demand for unified platforms that streamline operations and improve urban efficiency is expected to rise.

***Increased use of digital twins for urban planning.*** Digital twins, or virtual replicas of urban environments, are gaining prominence in urban management. These sophisticated models allow city planners to simulate urban scenarios, predict outcomes, and optimize infrastructure. This facilitates real-time management of city assets and offers a new level of precision and foresight in urban development.

### Market Challenges of China’s “AI+” Urban Management Solutions Industry

***Customization to city-specific needs.*** Cities have distinct requirements shaped by their infrastructure, policies, and community development priorities. Delivering effective AI+ urban management solutions requires a high degree of adaptability to address these localized challenges while ensuring scalability across diverse urban environments. This complexity makes it necessary for AI solutions to be both flexible and robust.

***Varied digitalization levels of present urban management system.*** The technological readiness of cities can vary significantly, from digitally advanced urban areas equipped with smart infrastructure to regions reliant on older systems requiring incremental upgrades. Developing solutions that can function seamlessly in both scenarios demands careful calibration and additional resources, increasing the complexity of deployments.

***Diverse and complex data ecosystems.*** The data used in urban management is inherently more diverse and complex, encompassing structured data like facility logs, semi-structured data such as sensor outputs, and unstructured data including images and videos from surveillance systems. Developing AI solutions that can effectively process and analyze these heterogeneous datasets while maintaining accuracy and relevance presents a significant challenge.

### Competitive Landscape of China’s “AI+” Urban Management Solutions Industry

The competitive landscape of China’s “AI+” urban management solutions industry is highly fragmented and regionally diverse, as urban management projects are typically tendered on a city-by-city basis. This decentralized approach fosters competition among a variety of local players and niche solution providers, each striving to meet the unique needs of individual cities. In 2024, the top five companies occupied a total market share of approximately 10%, underscoring its low concentration and broad participation.



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## INDUSTRY OVERVIEW

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“AI+” urban management initiatives are customarily undertaken by large-scale system integrators with close ties to local governments, who manage large-scale projects usually by subcontracting specialized tasks to other companies, facilitating collaboration across the industry.

Beyond these key players, the market is increasingly driven by a diverse array of participants — including technology firms, hardware specialists, and AI startups — who contribute to specialized areas such as data analytics, AI integration, and infrastructure management. This diversity fosters continuous innovation and a dynamic competitive environment, as companies from various sectors collaborate to address the evolving demands of urban management.

### SOURCES OF INFORMATION

We commissioned CIC, an independent market research and consulting firm, to provide an analysis of, and to produce a report (the “CIC Report”) on China’s “AI+” infrastructure market.

CIC provides professional services including, among others, industry consulting, commercial due diligence and strategic consulting. We have agreed to pay a fee of HKD640 thousand to CIC in connection with the preparation of the CIC Report. The report was prepared independent of the influence of us and other interested parties. We have extracted certain information from the CIC Report in this section, as well as elsewhere in this Prospectus, to provide our potential investors with a more comprehensive presentation of the industry we operate in.

In preparing the CIC Report, CIC conducted both primary and secondary research utilizing diverse resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as the National Bureau of Statistics, National Energy Administration, and Ministry of Transport.

The market projections in the CIC report are based on the following assumptions: (i) the overall social, economic and political environment in China is expected to remain stable during the forecast period; (ii) China’s economic and industrial development is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally.

### REGULATIONS AND POLICIES ON INDUSTRY

#### National Catalogue for Guidance on Industrial Restructuring

In accordance with *the National Catalogue for Guidance on Industrial Restructuring (2024 Version)* (《產業結構調整指導目錄(2024年本)》) which was promulgated by the National Development and Reform Commission (the “NDRC”) on December 27, 2023 and came into effect on February 1, 2024, big data, cloud computing, software and information technology service and blockchain information services within the extent permitted by PRC are under the encouraged category.

#### Outline of the 14th Five-Year Plan for National Economic and Social Development

*The Outline of the 14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and Outlines of Objectives in Perspective of 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》), promulgated by the SCNPC on March 12, 2021 and came into effect on the same date, points out the focus of key areas include high-end chips, operating systems, key artificial intelligence algorithms, sensors, and PRC shall speed up technology research and development, and make breakthroughs in basic theories, basic algorithms, and equipment materials.

#### Policies on Artificial Intelligence

In accordance with *the Guiding Opinions on Deepening the Development of Smart Cities and Promoting the Digital Transformation of Urban Areas* (《關於深化智慧城市發展推進城市全域數字化轉型的指導意見》) which was promulgated by the NDRC, the National Data Bureau, the Ministry of Finance (the “MOF”), the Ministry of Natural Resources of the People’s Republic of China on May 14, 2024, it focuses on five aspects, including general requirements, promoting urban digital transformation in all fields, enhancing urban digital transformation support in all aspects, optimizing urban digital transformation ecology in the whole process, and safeguards, to promote urban digital transformation in the whole region.

Seven ministries and commissions, including the Ministry of Industry and Information Technology of the People’s Republic of China (the “MIIT”), jointly issued *the Implementation Opinions on Promoting Future Industrial Innovation and Development* (《關於推動未來產業創新發展的實施意見》), proposing the need to deepen the integration of new-generation information technology and manufacturing industry, accelerate the reconstruction of industrial chain structure, process and model, and develop new applications for future manufacturing.

On February 27, 2023, the State Council issued *the Overall Layout Plan for the Construction of Digital China* (《數字中國建設整體佈局規劃》), highlighting the need to popularize the intelligence of digital life, create a smart convenient living circle, new digital

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## REGULATORY OVERVIEW

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consumption patterns, and future-oriented intelligent immersive service experience; promote the intelligent governance of the ecological environment, and accelerate the construction of a smart and efficient ecological environment information system.

On August 12, 2022, the *Notice on Supporting the Development of Demonstration and Application Scenarios for New-Generation Artificial Intelligence* (《關於支持建設新一代人工智能示範應用場景的通知》) issued by the Ministry of Science and Technology of the People's Republic of China (“MOST”) emphasizes the need to give full play to the role of artificial intelligence in enabling economic and social development, and focus on the establishment of a whole-chain and whole-process ecological application of the artificial intelligence industry. It is also imperative to support the development of a batch of artificial intelligence application scenarios with good foundations, strengthen the cooperation of upstream and downstream of research and development and the integration of new technologies, and create a batch of benchmark demonstration application scenarios that can be replicated and promoted, including smart ports, autopilot and smart supply chains.

### Regulations on Computer Software

In accordance with *the Regulations on the Protection of Computer Software* (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and latest amended on January 30, 2013, with the latest revision effective on March 1, 2013, Chinese citizen, legal person or other organization is entitled under the copyright of the software he/it has developed, including the right of publication, right of acknowledgement, right of alteration, right of reproduction, right of distribution, right of leasing, right of dissemination, right of translation and other rights that software copyright owners shall have, regardless of whether such software has been published.

According to *the Regulations of the People's Republic of China on the Security Protection of Computer Information System* (《中華人民共和國計算機信息系統安全保護條例》), which were issued by the State Council on February 18, 1994 and amended on January 8, 2011, securing computer information systems includes safeguarding the computer and its related and supporting sets of equipment and facilities (including network), the operating environment and information and ensuring the normal performance of computer functions, so as to maintain the safe operation of computer information systems.

In accordance with *the Measures for Registration of Computer Software Copyright* (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on April 6, 1992 and latest amended on February 20, 2002, with the latest revision effective on the same date, software copyrights, exclusive software copyright licensing contracts and transfer contracts shall be registered, and the National Copyright Administration shall be the competent authority for the administration of software copyright registration and has certified the China Copyright Protection Centre as the institution responsible for software registration. Applications that comply with the rules shall be granted registration, and a corresponding registration certificate shall be issued by the China Copyright Protection Centre.

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## REGULATORY OVERVIEW

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*The Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries* (《進一步鼓勵軟件產業和集成電路產業發展若干政策》) which was promulgated by the State Council on January 28, 2011 and came into effect on the same date, specifies a series of policies on tax preference, promotion of investment and scientific research and talent support for the software industry.

### LAWS AND REGULATIONS IN RELATION TO THE PROTECTION OF CYBER SECURITY, DATA AND PRIVACY

*The Cyber Security Law of the People's Republic of China* (《中華人民共和國網絡安全法》) (the “**Cyber Security Law**”), which was promulgated on November 7, 2016 and came into effect on June 1, 2017, requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cyber security events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data. The Cyber Security Law emphasizes that any individuals and organizations that use networks must abide by the Constitution and the law, observe public order and respect social morality, and must not endanger network security or use networks to engage in unlawful activities such as those endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. The Cyber Security Law has also reaffirmed certain basic principles and requirements on personal information protection previously specified in other existing laws and regulations. In violation of the provisions and requirements under the Cyber Security Law may subject an internet service provider to rectifications, warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of qualifications, closedown of websites or even criminal liabilities.

*The Administrative Measures for the Hierarchical Protection of Information Security* (《信息安全等級保護管理辦法》), which was promulgated by the Ministry of Public Security of the People's Republic of China, the National Administration of State Secrets Protection, the State Cryptography Administration and the IT Application Office of the State Council on June 22, 2007, and came into effect on the same day, requires that the national information security level protection adheres to the principle of independent classification and protection, and the information system operation and use units should determine the security protection level of the information system in accordance with the applicable regulations.

*The Data Security Law of the People's Republic of China* (《中華人民共和國數據安全法》) (the “**Data Security Law**”) was passed by the SCNPC at the 29th Session on June 10, 2021 and came into effect on September 1, 2021. The legislative purpose of the Data Security Law is to regulate data processing activities, safeguard data security, promote the development and utilization of data, protect the legitimate rights and interests of individuals and organizations, and safeguard national sovereignty, security and development interests. The Data Security Law requires the data processor to establish and improve a whole-process data

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## REGULATORY OVERVIEW

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security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities by using the Internet or any other information network, the data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. In violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses or even criminal liabilities.

*The Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”) was passed by the SCNPC at the 30th Session on August 20, 2021 and has come into effect on November 1, 2021. The Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the corresponding requirements, such as when (1) the individual's consent has been obtained; (2) the processing is necessary for the conclusion or performance of a contract to which the individual is a party, or for the implementation of human resources management in accordance with the labor rules and regulations formulated in accordance with the law and the collective contract concluded in accordance with the law; (3) the processing is necessary to fulfill statutory duties and statutory obligations; (4) the processing is necessary to respond to public health emergencies or protect natural persons' life, health and property safety under emergency circumstances; (5) the personal information that has been made public is processed within a reasonable scope in accordance with this Law; (6) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, and other activities in the public interest; or (7) under any other circumstance as provided by any law or regulation. It also stipulates the obligations of a personal information processor, such as: prior to the handling of an individual's personal information, the personal information handler shall truthfully, accurately and completely inform the individual of the following matters in a conspicuous manner and in clear and understandable language: (1) the title or name and contact information of the personal information handler; (2) the purpose and method of handling personal information, and the type and retention period of the handled personal information; (3) the method and procedure for the individual to exercise the rights provided for in this Law; and (4) other matters that shall be informed in accordance with the provisions of laws and administrative regulations. Where any of the matters specified in the preceding paragraph is changed, the individual shall be notified of such change. Where a personal information handler informs individuals of the matters specified in the aforementioned paragraph by formulating rules on handling personal information, such rules shall be open to the public for easy access and storage. In violation of the provisions and requirements under the Personal Information Protection Law may subject a personal information processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses, being entered into the relevant credit record or even criminal liabilities.

On December 28, 2021, thirteen PRC governmental and regulatory agencies (including the CAC) promulgated *the Measures for Cyber Security Review* (《網絡安全審查辦法》), which came into effect on February 15, 2022. The Measures for Cyber Security Review specifies that

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## REGULATORY OVERVIEW

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the procurement of network products and services by operator of critical information infrastructure and the activities of data process carried out by Internet platform operator that raise or may raise national security concerns are subject to cyber security review by the Office of Cyber Security Review established by the CAC. Before critical information infrastructure operator purchases internet products and services, it should assess the potential risk of national security that may be caused by the use of such products and services. If such use of products and services may give rise to national security concerns, it should apply for a cyber security review by the Office of Cybersecurity Review and a report of analysis of the potential effect on national security shall be submitted when the application is made. In addition, Internet platform operators that possess the personal data of over one million users must apply for a review by the Office of Cybersecurity Review, if they plan listing of companies in foreign countries. The CAC may voluntarily conduct cyber security review if any network products and services and activities of data process affects or may affect national security. The cyber security review focuses on the assessment of risk factors which include (1) the risk of critical information infrastructure being illegally controlled, interfered or destroyed as a result of the use of the products or services; (2) the continuous harm to the business of critical information infrastructure by the interruption of provision of products or services; (3) the security, openness, transparency, diversity of sources, reliability of supply and potential supply interruptions of products and services due to political, diplomatic or trade issues; (4) whether the products and services provider comply with PRC laws, regulations and departmental rules; (5) the risk of core data, important data or a large amount of personal information being stolen, leaked, destroyed, illegally utilized or exited the country; (6) regarding to listing, there are risks of critical information infrastructure, core data, important data or a large amount of personal information being influenced, controlled or maliciously used by foreign governments, as well as network information security risks; and (7) other factors that may endanger the security of critical information infrastructure, cyber security and data security.

*The Security Protection Regulations for Critical Information Infrastructure* (《關鍵信息基礎設施安全保護條例》) which was promulgated by the State Council on July 30, 2021 and came into effect on September 1, 2021, specifies that the critical information infrastructure refer to the important network facilities and information systems in important industries and fields such as public telecommunications, information services, energy, transportation, water conservancy, finance, public services, e-government and national defense science, technology and industry, as well as other important network facilities and information systems which, in case of destruction, loss of function or leak of data, may result in serious damage to national security, the national economy and the people's livelihood and public interests. The authorities responsible for the security protection of critical information infrastructure (hereinafter referred to as the “**protection authorities**”), develop rules for the identification of critical information infrastructure, organize the identification of critical information infrastructure of respective industries and fields in accordance with identification rules, and notify the operators concerned of the identification results in a timely manner. During the Track Record Period and up to the Latest Practicable Date, we have not received any notice from protection authorities with regard to our company identified a critical information infrastructure operator.



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## REGULATORY OVERVIEW

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In addition, *the Regulations on Network Data Security Management* (《網絡數據安全管理條例》) (the “**Regulations on Network Data Security**”) which was promulgated by the State Council on September 30, 2024 and came into effect on January 1, 2025. The Regulations on Network Data Security stipulates that the State protects network data by category and by grade, according to the importance of network data in economic and social development, as well as the extent of the damage caused to national security, public interests or the legitimate rights and interests of individuals and organizations by network data once the network data are tampered with, destroyed, leaked, illegally acquired or illegally utilized. The Regulations on Network Data Security has further stipulates detailed requirements in terms of personal information protection, important data security, cross-border security management of network data, and the obligations of network platform service providers. When network data handlers 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. Those who violate the Regulations on Network Data Security may be subject to orders for correction, warnings, confiscation of illegal gains, fines, orders to suspend related businesses, business rectification, revocation of relevant business licenses or business licenses, and even be held criminally responsible.

*The Administrative Provisions on Algorithm Recommendation for Internet Information Services* (《互聯網信息服務算法推薦管理規定》) (the “**Administrative Provisions**”) was jointly promulgated by the CAC, the MIIT, the Ministry of Public Security and the State Administration for Market Regulation on December 31, 2021 and came into effect on March 1, 2022. The Administrative Provisions is applicable to algorithm recommendation service providers, i.e. enterprises that provide internet information services to users by applying algorithm technologies such as generation-synthesis, personalized push, sorting and selection, retrieval and filtering, and scheduling and decision-making.

During the Track Record Period and up to the Latest Practicable Date, our algorithm does not have public opinion attribute or social mobilization ability and we don’t need to go through record-filing formalities.

During the Track Record Period and up to the Latest Practicable Date, we have implemented comprehensive internal policies and measures on protection of cybersecurity, data privacy and personal information to ensure continuous regulatory compliance. See “Business — Data Privacy and Security”.

As of the Latest Practicable Date, we have not received any investigation, notice, warning, or sanction from applicable government authorities (including the CAC) with regard to our business operations concerning any issues related to cybersecurity and data security. In addition, we have not been involved in any review, investigation, enquiry, penalty, or other legal proceedings initiated by applicable governmental or regulatory authorities or third parties in relation to cyber security or data protection.

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## REGULATORY OVERVIEW

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### REGULATIONS ON OVERSEAS LISTING

On February 17, 2023, the CSRC promulgated *the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises* (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Administrative Measures**”) and five supporting guidelines, which has become effective on March 31, 2023. Pursuant to the Trial Administrative Measures, PRC domestic enterprises that directly or indirectly offer or list their securities in an overseas market, which include (1) any PRC company limited by shares, and (2) any offshore company that conducts its business operations primarily in China and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests, are required to file with the CSRC within three business days after its application for overseas listing is submitted. Failure to complete the filing under the Trial Administrative Measures may subject a PRC domestic enterprise to rectification ordered by the CSRC, warning, and fine of RMB1 million to RMB10 million.

### REGULATIONS ON ESTABLISHMENT OF COMPANIES AND FOREIGN INVESTMENT

In accordance with *the Foreign Investment Law of the People’s Republic of China* (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”) which was promulgated by the NPC on March 15, 2019 and came into effect on January 1, 2020, and *the Implementation Regulations for the Foreign Investment Law of the People’s Republic of China* (《中華人民共和國外商投資法實施條例》) (the “**Foreign Investment Implementation Regulations**”), any discrepancy between the Foreign Investment Law and the Foreign Investment Implementation Regulations and the provisions on foreign investments formulated before January 1, 2020, the provisions of the Foreign Investment Law and the Foreign Investment Implementation Regulations shall prevail. Investments by foreign investors in fields for which investment is restricted by the Negative List shall comply with the restrictive admission special administrative measures such as equity requirements, senior management personnel requirements stipulated by the Negative List.

In accordance with *the Measures on Reporting of Foreign Investment Information* (《外商投資信息報告辦法》), which was promulgated by the Ministry of Foreign Trade and Commerce of the People’s Republic of China (the “**MOFCOM**”) and State Administration for Market Regulation on December 30, 2019 and came into effect on January 1, 2020, foreign investors or foreign investment enterprises shall submit investment information to the commerce administrative authorities through the Enterprise Registration System and the National Enterprise Credit Information Publicity System. In accordance with *the Measures for the Security Review of Foreign Investments* (《外商投資安全審查辦法》), which was promulgated by the NDRC and MOFCOM on December 19, 2020 and came into effect on January 18, 2021, the office of the working mechanism for the security review of foreign investments is set up under the NDRC, which is led by the NDRC and the MOFCOM to undertake the routine work of the security review of foreign investments.



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## REGULATORY OVERVIEW

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### REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

#### Patent

In accordance with *the Patent Law of the People's Republic of China* (《中華人民共和國專利法》) which was promulgated by the SCNPC on March 12, 1984 and latest amended on October 17, 2020, with the latest revision effective on June 1, 2021, *the Implementation Regulations for the Patent Law of the People's Republic of China* (《中華人民共和國專利法實施細則》) which was promulgated by the State Council on December 21, 1992, January 9, 2010 and latest amended on December 11, 2023, with the latest revision effective on January 20, 2024, and *the Public Announcement on Measures on Filing of Patent Licensing Contracts* (《專利實施許可合同備案辦法》) which was promulgated by the State Intellectual Property Office on June 27, 2011 and came into effect on August 1, 2011, patent in PRC shall be categorized as invention, utility model and design. The duration of patent rights for an invention shall be 20 years, the duration of patent rights for a utility model shall be 10 years and the duration of patent rights for a design shall be 15 years, commencing from the filing date. Any organization or individual proposing to implement the patent of others shall enter into a licensing contract with the patentee for implementation and pay royalties to the patentee. And the State Intellectual Property Office shall be responsible for filing of patent licensing contracts nationwide. The parties concerned shall complete filing formalities within three months from the effective date of a patent licensing contract.

#### Trademark

In accordance with *the Trademark Law of the People's Republic of China* (《中華人民共和國商標法》) which was promulgated by the SCNPC on August 23, 1982, and was latest amended on April 23, 2019, with the latest revision effective on November 1, 2019, and *the Implementation Regulations for the Trademark Law of the People's Republic of China* (《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 was latest amended on April 29, 2014, with the latest revision effective on May 1, 2014, trademarks approved and registered by the trademark bureau are registered trademarks, including commodity trademarks, service marks and collective trademarks, certification marks; trademark registrants are entitled to exclusive rights to use trademark and are protected by the law. A registered trademark shall be valid for 10 years, commencing from the date of registration. Use of a trademark identical or similar to a registered trademark on the same type of commodities without licensing by the trademark registrant shall be deemed as infringement of exclusive rights to use registered trademarks.

#### Domain Name

In accordance with *the Administrative Measures on Internet Domain Names* (《互聯網域名管理辦法》) which was promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, *the Implementing Rules for the Registration of National Top-level Domain Names* (《國家頂級域名註冊實施細則》) and *the Procedural Rules for Resolution of Disputes over National Top-level Domain Names* (《國家頂級域名爭議解決程序規則》) which

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## REGULATORY OVERVIEW

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were promulgated by China Internet Network Information Center on June 18, 2019 and came into effect on the same date, the domain name registration services shall in principle implement “first apply first register”; where the corresponding detailed rules for domain name registration stipulate otherwise, such provisions shall prevail. The applicant shall be deemed as domain name holder via registration. The domain name disputes shall be accepted and solved by a domain name dispute resolution body as recognized by the China Internet Network Information Center.

In accordance with *the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Providing Internet-based 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》) (hereinafter referred to as “**Notice of the Use of Domain Names**”), which was promulgated by the MIIT on November 27, 2017 and came into effect on January 1, 2018, the Internet access service provider concerned shall check the real identity information of the domain name registrant via the Record-filing System, and shall not provide access services if the Internet-based information service provider fails to provide real identity information or the identity information provided is inaccurate or incomplete, with the exception of domain names that have been filed for record with the Record-filing System prior to the effectiveness of this Notice of the Use of Domain Names.

### Copyright

In accordance with *the Copyright Law of the People’s Republic China* (《中華人民共和國著作權法》) which was promulgated by the SCNPC on September 7, 1990 and latest amended on November 11, 2020, with latest revision effective on June 1, 2021, Chinese citizens, legal persons or organizations without legal personality enjoy copyright over their works, whether published or not, including written works; oral works; musical, dramatic, opera, dance, acrobatic artistic works; fine arts, architectural works; photographic works; audio-visual works; graphic works and model works, such as engineering design plan, product design plan, map, schematic diagram, etc.; computer software and any other intellectual achievements which comply with the characteristics of the works. Copyright shall include the following personal rights and property rights: publication right, right of authorship, right of revision, right to preserve the integrity of work, reproduction right, distribution right, rental right, exhibition right, performance right, screening right, broadcasting right, information network transmission right, filming right, adaptation right, translation right, compilation right, and any other rights enjoyed by a copyright holder.

## REGULATIONS IN RELATION TO TAX

### Enterprise Income Tax

In accordance with the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》) (the “**EIT Law**”) which was promulgated by the SCNPC on March 16, 2007, and was latest amended on December 29, 2018, with the latest revision effective on the same date and *the Implementation Regulations for the Enterprise Income Tax*

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## REGULATORY OVERVIEW

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*Law of the People's Republic of China* (《中華人民共和國企業所得稅法實施條例》) (the “**EIT Implementation Regulations**”) which was promulgated by the State Council on December 6, 2007, and was latest amended on April 23, 2019, with the latest revision effective on the same date, a uniform income tax rate of 25% will be applied to resident enterprises and non-resident enterprises that have established institutions and premises in China. Besides enterprises established within the PRC, enterprises established in accordance with the laws of other judicial districts whose “de facto management bodies” are within the PRC are considered “resident enterprises” and subject to the uniform 25% enterprise income tax rate for their income derived from both inside and outside the PRC. Corporate income tax for key advanced and new technology enterprises supported by PRC shall be at a reduced tax rate of 15%.

According to *the Circular of Ministry of Finance and State Administration of Taxation on Implementing the Inclusive Tax Deduction and Exemption Policies for Small and Micro Enterprises* (《財政部、稅務總局關於實施小微企業普惠性稅收減免政策的通知》) (hereinafter referred to as the “**Notice No. 13**”) promulgated on January 17, 2019, during January 1, 2019 to December 31, 2021, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%; and the annual taxable income that is more than RMB1 million nor more than RMB3 million shall be included in its taxable income at the reduced rate of 50%, with the applicable enterprise income tax rate of 20%.

According to *the Announcement on Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses* (《關於實施小微企業和個體工商戶所得稅優惠政策的公告》) promulgated on April 2, 2021, during January 1, 2021 to December 31, 2022, for the portion of annual taxable income amount of micro and small enterprises which does not exceed RMB1 million, corporate income tax shall be reduced by 50%, in addition to the incentives stipulated in the article above of Notice No. 13.

According to *the Announcement of Ministry of Finance and State Administration of Taxation on Further Implementation of Income Tax Preferential Policies for Small and Micro Enterprises* (《財政部、稅務總局關於進一步實施小微企業所得稅優惠政策的公告》) promulgated on March 3, 2022, during January 1, 2022 to December 31, 2024, the portion of annual taxable income amount of a small meager-profit enterprise, which exceeds RMB1 million but not exceeds RMB3 million, shall be computed at a reduced rate of 25% as taxable income amount, and subject to corporate income tax at 20% tax rate.

According to *the Announcement on Preferential Income Tax Policies for Small Enterprises with Meager Profit and Individually-owned Businesses* (《關於小微企業和個體工商戶所得稅優惠政策的公告》) promulgated on March 26, 2023, during January 1, 2023 to December 31, 2024, the portion of annual taxable income amount of a small enterprise with meager profit, which does not exceed RMB1 million, shall be computed at a reduced rate of 25% as taxable income amount, and be subject to corporate income tax at a tax rate of 20%.

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## REGULATORY OVERVIEW

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In accordance with *the Administrative Measures on Accreditation of High-tech Enterprises* (《高新技術企業認定管理辦法》) which was promulgated by the MOST, the MOF and the SAT on April 14, 2008 and amended on January 29, 2016 and came into effect on January 1, 2016, high-tech enterprises referred to in these Measures shall mean resident enterprises registered in China (excluding Hong Kong, Macau and Taiwan) which are continuously engaging in research and development and technology commercialization within the realm of the Regions of Advanced Technologies Strongly Supported by PRC, forming the core independent intellectual property of the enterprise, and carrying out business activities on such basis, which accredited pursuant to these Measures may declare and claim tax incentives pursuant to the EIT Law and the EIT Implementation Regulations, *the Administrative Law of the People's Republic of China on the Levying and Collection of Taxes* (《中華人民共和國稅收徵收管理法》), *the Implementation Regulations for the Law of the People's Republic of China on Administration of Tax Collection* (中華人民共和國稅收徵收管理法實施細則) etc. Upon obtaining the qualification as a high-tech enterprise, the enterprise shall complete tax reduction and exemption formalities with the tax authorities in charge and the qualifications of an accredited high-tech enterprise shall be valid for three years from the date of issuance of the certificate.

### Value-added Tax

In accordance with *the Provisional Regulations of the People's Republic of China 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 on December 13, 1993, and was latest amended on November 19, 2017, with the latest revision effective on the same date, *the Detailed Rules for the Implementation Rules for the Provisional Regulations the People's Republic of China 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 on December 25, 1993, and was latest amended on October 28, 2011, with the latest revision effective on November 1, 2011, *the Decisions on Abolishing the PRC Provisional Regulations on Business Tax and Amending the PRC Provisional Regulations on Value-Added Tax* (《國務院關於廢止<中華人民共和國營業稅暫行條例>和修改<中華人民共和國增值稅暫行條例>的決定》) which was promulgated by the State Council and effective on November 19, 2017 and *the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to VAT Rates* (《財政部、稅務總局關於調整增值稅稅率的通知》) which was promulgated by the MOF and the SAT on April 4, 2018 and came into effect on May 1, 2018, entities and individuals selling goods, services and intangible assets in the PRC are VAT taxpayers and shall pay VAT. Taxpayers selling services and intangible assets are subject to a tax rate of 6%, except in particular circumstances. If a taxpayer is engaged in sale subject to VAT at the previously applicable rate of 17% and 11%, the tax rate is reduced to 16% and 10%, respectively. In accordance with *the Announcement on Policies for Deepening the VAT Reform* (《關於深化增值稅改革有關政策的公告》) which was issued by the MOF, SAT and General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, if a general VAT taxpayer is engaged in a VAT taxable sale or imports goods at the previously applicable rate of 16%, the tax rate is reduced to 13%. And in accordance with *the Notice of Ministry of Finance and State Administration of Taxation on Value-added Tax Policies for Software Products* (關於軟件產品增值稅政策的通知) which was promulgated by the MOF and the SAT on October 13, 2011 and

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## REGULATORY OVERVIEW

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came into effect on January 1, 2011, a VAT general taxpayer selling software products developed and produced by itself shall be subject to levying and collection of VAT at the tax rate of 13%, and the policy of forthwith levy and forthwith refund shall be implemented for the portion of VAT actually paid which exceeds 3%.

### REGULATIONS ON LABOR

#### Labor Relations

*The Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) which was promulgated by the SCNPC on June 29, 2007, and was latest amended on December 28, 2012, with the latest revision effective on July 1, 2013, governs the establishment of labor relationships between enterprises, individual economic organizations, private non-enterprise entities etc., in the PRC and their workers and the conclusion, performance, variation, rescission or termination of labor contracts, specifies relevant detailed requirements on terms and contents of labor contracts signed between the parties, and stipulates the maximum working hours per day and week and the monthly minimum wage.

#### Social Insurance and Housing Provident Fund

In accordance with *the Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》) which was promulgated by the SCNPC on October 28, 2010 and was latest amended on December 29, 2018, with the latest revision effective on the same date, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, and maternity insurance. Employers failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

In accordance with *the Regulations on the Administration of Housing Provident Fund* (《住房公積金管理條例》) which was promulgated by the State Council on April 3, 1999, and was latest amended on March 24, 2019, with the latest revision effective on the same date, an employer shall make registration of contribution to the housing provident fund with the housing provident fund management center, and go through the formalities of opening housing provident fund accounts on behalf of its employees. And an employer fails to undertake contribution registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. An employer is overdue in the contribution of,



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## REGULATORY OVERVIEW

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or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

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.

As advised by our PRC Legal Advisor, the aforementioned regulation is not expected to have a material adverse impact on our operation which is mainly because (i) as of the Latest Practicable Date, we had not signed any agreement with our employee or our employee had not committed to give up paying their social insurance, and (ii) during the Track Record Period and up to the Latest Practicable Date, we had not encountered any major complaints, reports, or labor disputes related to social insurance.

### REGULATIONS ON FOREIGN EXCHANGE ADMINISTRATION

*The Foreign Exchange Control Regulations of the People's Republic of China* (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996, and latest amended on August 5, 2008, with the latest revision effective on the same date, is a fundamental legal basis for foreign exchange supervision and regulation by relevant authorities in PRC, according to which, RMB may be freely converted into other currencies for current account items (such as foreign exchange transactions in relation to commodity, trade and service, and dividend distribution), based on real and lawful transactions; but capital account items (such as share capital transfer, direct investment, securities investment, derivatives or loan) unless it is approved by the relevant foreign exchange administration department and it has completed the pre-registration with the relevant foreign exchange administration department.

In accordance with *the Circular of State Administration of Foreign Exchange on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment* (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) (hereinafter referred to as “**Circular 59**”) was promulgated by SAFE on November 19, 2012, became effective on December 17, 2012, and was further amended on May 4, 2015, approval is not required for the

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## REGULATORY OVERVIEW

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opening of an account entry in foreign exchange accounts under direct investment. Circular 59 also simplifies the capital verification and confirmation formalities for foreign invested enterprises (the “FIEs”); the foreign capital and foreign exchange registration formalities required for the foreign investors to acquire equities from Chinese party and further improve the administration on exchange settlement of FIEs.

*The Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises* (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (hereinafter referred to as “**Circular 19**”) was promulgated by SAFE on March 30, 2015, came into effect on June 1, 2015 partially repealed on December 30, 2019 and partially amended by *the Notice of the State Administration of Foreign Exchange of Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account* (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by SAFE on June 9, 2016, partially repealed and nullified on March 23, 2023, and superseded *the Notice from the State Administration of Foreign Exchange on Improving Business Operational Issues relating to Administration of Sale of Foreign Currency for Payment of Foreign Currency Capitals Funds of Foreign Investment Enterprises* (《國家外匯管理局關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知》) (hereinafter referred to as “**Circular 142**”) from the effective date. Circular 19 specifies that foreign exchange settlement by foreign-invested enterprise is subject to supervision under foreign exchange settlement policies, and cancels certain foreign exchange restrictions under Circular 142. However, Circular 19 restates that the use of capital of FIEs should follow the principle of truthfulness and self-use within the business scope of an enterprise.

In accordance with *the Notice from the State Administration of Foreign Exchange on Reforming and Regulating the Policies of Administration of Foreign Exchange Settlement for Capital Items* (《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》) (hereinafter referred to as “**Circular 16**”) which was promulgated by the SAFE on June 9, 2016 and came into effect on the same date, an enterprise registered in China may, at its sole discretion, convert its foreign debts in a foreign currency to RMB. Circular 16 provides a unified standard for foreign exchange under capital items (including but not limited to foreign currency capital and foreign debt) which may be convertible at the sole discretion of the enterprise. Such standard is applicable to all enterprises registered in the PRC. In addition, Circular 16 restates that, unless otherwise specified, an enterprise shall not directly or indirectly use RMB funds obtained as a result of conversion of foreign currency funds, for purposes outside the business scope, or for investments wealth management other than securities investment or capital protected products of banks in China. Moreover, except within the business scope, RMB funds obtained as a result of conversion shall not be used as loans to non-related companies; save for investment in a real estate enterprise, RMB funds obtained as a result of conversion shall not be used for construction or purchase of real estate which will not be used by the enterprise.

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## REGULATORY OVERVIEW

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On October 23, 2019, the SAFE released *the Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment* (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which was amended on December 4, 2023, according to which, besides foreign-invested enterprises engaged in investment business, non-investment foreign-invested enterprises are also permitted to make domestic equity investments with their capital funds in accordance with the laws provided that such investments do not violate *the Special Administrative Measures (Negative List) for Foreign Investment Access* (《外商投資准入特別管理措施(負面清單)》) (hereinafter referred to as “**Negative List**”) and the target investment projects are genuine and in compliance with laws. According to the Notice of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance; provided that their capital use is authentic and in compliance with administrative regulations on the use of income under capital accounts. The bank in charge shall follow the principle of prudential business development to manage and control relevant business risks, and conduct post spot checking on the facilitation of payment for the income under capital accounts in accordance with relevant requirements.

### DIVIDEND DISTRIBUTION

In accordance with *the Company Law of the People’s Republic of China* (《中國公司法》), which was promulgated by the SCNPC on December 29, 1993, October 26, 2018, and was amended on December 29, 2023, and the Foreign Investment Law, foreign-invested enterprises in the PRC may pay dividends only out of their accumulated profit, if any, determined in accordance with PRC accounting standards and regulations. A PRC company, including foreign-invested enterprise, is required to set aside as statutory reserves at least 10% of its after-tax profit, until the cumulative amount of statutory reserves reaches 50% of its registered capital unless the provisions of laws regarding foreign investment otherwise provided, and shall not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

### REGULATIONS RELATED TO THE “FULL CIRCULATION” OF H-SHARE

In accordance with *the Guidelines for the Application by H-share Companies for “Full Circulation” of Unlisted Shares* (《H股公司境內未上市股份申請“全流通”業務指引》) which was promulgated by the CSRC on 14 November 2019 and came into effect on the same date, which was partly revised on August 10, 2023 according to *the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents* by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》), the term “full circulation” means the circulation of domestically unlisted shares (including domestically unlisted shares held by domestic shareholders prior to the listing abroad, additional domestically unlisted shares issued



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## REGULATORY OVERVIEW

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domestically after listing abroad and unlisted shares held by holders of foreign shares) of H-share companies on the Hong Kong Stock Exchange. On the premise of complying with relevant laws and regulations as well as policies governing state-owned asset management, foreign investment and industrial supervision, the shareholders of domestically unlisted shares may determine the number and proportion of shares under application for circulation through negotiation at their discretion and entrust a H-share company to file an application for “full circulation”. After the domestically unlisted shares are listed for circulation on the Hong Kong Stock Exchange, they shall not be transferred back to the Mainland China. A shareholder of domestically unlisted shares may reduce or increase its holding of the shares involved that are circulating on the Hong Kong Stock Exchange according to relevant business rules. H share companies shall submit a report on the relevant information to the CSRC within 15 days from completion of re-registration of the shares involved in the application to China Securities Depository and Clearing Co., Ltd (the “CSDC”).

In accordance with *the Notice on Promulgation of the Implementing Rules for “Full Circulation” of H-shares* (《關於發佈〈H股“全流通”業務實施細則〉的通知》) which was promulgated by CSDC and Shenzhen Stock Exchange on December 31, 2019 and came into effect on the same date, it shall apply to the relevant businesses involved in “full circulation” of H-shares, such as cross-border re-registration, custodian and maintenance of holding details, entrustment of transactions and order routing, settlement, management of clearing participants, services of nominee holders etc. Upon completion of information disclosure by a H-share listed company approved by the CSRC to participate in “full circulation” of H-shares, such company shall register anew its fully tradable H-shares free from pledge, freezing, restriction of transfer and other restrictive status with the Hong Kong share registration authorities to have them become shares that can be listed and circulated on the Hong Kong Stock Exchange. The relevant securities shall be deposited centrally with CSDC in China. CSDC, as the nominee of the aforesaid securities, shall handle the business such as the depository and maintenance of holding details as well as cross-border clearing and settlement involved in the “full circulation” of H-shares, and provide services of nominee for investors. H-share listed companies shall obtain the authorization from investors and select a domestic securities company to participate in the “full circulation” of H-shares. Investors submit the trading orders for the “full circulation” of H-shares through a domestic securities company. The domestic securities company shall select a Hong Kong securities company through which investors’ trading instructions shall be reported to the Hong Kong Stock Exchange for trading. After transactions are concluded, CSDC and China Securities Depository and Clearing (Hong Kong) Co. Ltd shall handle cross-border clearing and settlement of relevant shares and funds. The settlement currency of H-share “full circulation” transaction business is Hong Kong dollars. Where an H-share listed company entrusts CSDC to distribute cash dividends, it shall file an application with CSDC. The H-share listed company, when distributing cash dividends, may claim the details of the shares held by relevant investors on the equity registration date for cash dividends from CSDC. If an investor obtains “fully tradable” non-H-shares listed on the Hong Kong Stock Exchange due to the equity distribution or conversion of H-shares under full circulation, the investor may sell but cannot purchase such securities; if the investor obtains the right to subscribe for shares listed on the Hong Kong Stock Exchange and such right is listed on the Hong Kong Stock Exchange, the investor may sell but shall not exercise such right.

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## REGULATORY OVERVIEW

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In accordance with *the Notice of China Securities Depository and Clearing Co., Ltd Shenzhen Branch on the Release of China Securities Depository and Clearing Co., Ltd Shenzhen Branch H-shares “Full Circulation” Business Guidelines* (《中國結算深圳分公司關於發佈〈中國證券登記結算有限責任公司深圳分公司H股“全流通”業務指南的通知〉》) which was promulgated by CSDC Shenzhen Branch on September 20, 2024 and came into effect on September 23, 2024, it specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. And *China Securities Depository and Clearing (Hong Kong) Co., Ltd also promulgated the Guide to the Program for Full Circulation of H-shares* (《中國證券登記結算(香港)有限公司H股“全流通”業務指南》) to specify the relevant escrow, custody, agent service of China Securities Depository and Clearing (Hong Kong) Co., Ltd, arrangement for settlement and delivery and other relevant matters.

### REGULATIONS RELATED TO EXPORT AND TRADE CONTROLS

#### Regulations on Tariff Imposed by U.S.

On February 1, 2025, the President of the U.S. issued an executive order imposing an additional 10 percent ad valorem rate of duty on all articles that are products of the PRC (“**February 1 Executive Order**”), to end the direct flow of fentanyl and other synthetic opioids from China. The additional tariffs came into effect on February 4, 2025.

On March 3, 2025, the President of the U.S. further amended the February 1 Executive Order to increase duties from 10% to 20% on products from China. The “Fentanyl Tariffs” are up to 20% since then.

On April 2, 2025, the President of the U.S. issued an Executive Order under the authorization of the IEEPA, establishing sweeping “reciprocal tariffs” on nearly all imports to the U.S. The “adjusted reciprocal tariff rate” applicable to China (including mainland China, Hong Kong, and Macao) was initially 34% (with 10% “universal” tariffs on almost all countries included). The Chinese government immediately imposed the retaliation tariffs imposing an additional 34% tariff on all imported goods originating from the U.S. on top of the existing applicable tariff rate.

After that, the U.S. and China engaged in multiple rounds of reciprocal tariff increases. On April 9, the IEEPA retaliation tariff against all imports from China was increased to 125%.

On April 15, 2025, the White House announced that China now faces up to a 245% tariff (including a 125% IEEPA Retaliation Tariff, a 20% IEEPA Fentanyl Tariff, Section 301 Tariffs, and other trade remedies applicable) on imports to the U.S. as a result of its retaliatory actions in its fact sheet.

Initially, the February 1 Executive Order provided that imports from the PRC were ineligible for “de minimis” benefits under Section 321(a)(2)(C) of the Tariff Act of 1930 (19 U.S.C. § 1321(a)(2)(C)). Under this provision, certain shipments of imports valued at \$800 or less may be imported into the U.S. duty-free.

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## REGULATORY OVERVIEW

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On February 5, 2025, the February 1 Executive Order was amended to state that the “de minimis” treatment remains available, but may cease to be available once adequate systems are put in place to process and collect such tariffs. Accordingly, until further notice, articles that are the product of the PRC that are eligible for the de minimis exemption may continue to request de minimis entry and clearance. Once this de minimis exception is eliminated, the heightened tariffs announced in the February 1 Executive Order will apply to low-value shipments that would otherwise have been imported tariff-free.

Furthermore, tariffs imposed under the February 1 Executive Order are ineligible for duty drawback benefits, which generally allow importers to obtain a refund of fees, taxes, and tariffs paid for goods imported into the U.S. and then later reexported or destroyed.

On April 2, 2025, the President of the U.S. issued a second executive order, eliminating duty-free de minimis treatment for low-value imports (valued at or under \$800) from the PRC (including Hong Kong). The tariff measures will take place starting May 2, 2025.

All relevant postal items containing goods that are sent through the international postal network are subject to a duty rate of either 30% of their value or \$25 per item (increasing to \$50 per item after June 1, 2025).

The imported goods sent through means other than the international postal network that are valued at or under \$800 and that would otherwise qualify for the de minimis exemption will be subject to all applicable duties (the general tariffs, 301 tariffs, etc.)

On April 8, 2025, the 30% tariff was increased to 90% as per the new Executive Order released by the President of the U.S.. The \$25 per item before June 1, 2025 was increased to \$75, and the \$50 per item after June 1, 2025 was increased to \$150.

On April 9, 2025, the 90% tariff was increased to 120% as per the new Executive Order released by the President of the U.S.. The \$75 per item before June 1, 2025 was increased to \$100, and the \$150 per item after June 1, 2025 was increased to \$200.

On May 12, 2025, the government of the U.S. and the government of China released a Joint Statement on U.S.-China Economic and Trade Meeting in Geneva (“**Joint Statement**”). The U.S. will (1) modify the application of the additional ad valorem rate of duty on articles of China set forth in Executive Order issued on April 2, 2025, by suspending 24 percentage points of that rate for an initial period of 90 days, while retaining the remaining ad valorem rate of 10 percent on those articles pursuant to the terms of said Order; and (2) remove modified additional ad valorem rates of duty on those articles imposed by Executive Order issued on April 8, 2025 and Executive Order issued on April 9, 2025. China will also modify the application of the additional reciprocal tariffs accordingly and adopt all necessary administrative measures to suspend or remove the non-tariff countermeasures against the U.S. since April 2, 2025.

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## REGULATORY OVERVIEW

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As the Joint Statement only refers to the additional tariffs imposed during April, the “Fentanyl Tariffs” imposed back in February and March remain effective.

On May 13, 2025, the President of the U.S. issued an executive order to confirm and implement the modifications in the Joint Statement. This executive order also confirms that “de minimis” treatment remains unavailable and revises the applicable tariffs.

All relevant postal items containing goods that are sent through the international postal network are subject to a duty rate of either 45% of their value or \$100 per item (removing the increase to \$200 per item since June).

On May 28, 2025, a three-judge panel of the U.S. Court of International Trade (CIT) issued an opinion enjoining the enforcement of IEEPA Universal Tariffs, IEEPA Retaliation Tariffs and IEEPA Fentanyl Tariffs based on the use of IEEPA as tariff authority. The CIT ordered the US Government to effectuate the permanent injunction against the IEEPA tariff orders within 10 calendar days of the CIT’s decision (by June 7, 2025). The US Government has promptly appealed the CIT’s decision to the Court of Appeals of the Federal Circuit (“**Federal Circuit**”) on the same day sought to stay the CIT’s permanent injunction. On May 29, 2025, the Federal Circuit granted the stay.

On August 29, 2025, the Federal Circuit upheld the CIT’s decision that the IEEPA Tariffs were contrary to law. On September 3, 2025, the U.S. government petitioned the U.S. Supreme Court (“Supreme Court”) to hear the appeal. On September 9, 2025, the Supreme Court granted certiorari to hear the case on an expedited basis. Oral argument is set for early November.

On November 4, 2025, President Trump issued two Executive Orders. The Executive Order Modifying Reciprocal Tariff Rates Consistent with the Economic and Trade Arrangement Between the United States and the People’s Republic of China further suspends for one year the scheduled increase in the IEEPA Reciprocal Tariff rate from 10% to 34%. The United States will maintain the current 10% Reciprocal Tariff rate until 12:01 a.m. EST on November 10, 2026.

The Executive Order “Modifying Duties Addressing the Synthetic Opioid Supply Chain in the People’s Republic of China” reduces from 20% to 10% the IEEPA Fentanyl Tariffs first imposed on the PRC imports into the United States in February 2025. The reduced rate of 10% is effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. EST on November 10, 2025.

Under the Arrangement, the PRC has committed to, among other things, postpone and effectively eliminate the PRC’s current and proposed export controls on rare earth elements and other critical minerals, and address Chinese retaliation against United States semiconductor manufacturers and other major companies in the semiconductor supply chain. The PRC has also committed to purchase United States agricultural exports integral to the economy and general welfare of the United States, including soybeans, sorghum, and logs. And the PRC has

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## REGULATORY OVERVIEW

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committed to suspend or remove many retaliatory actions against the United States, including suspending tariffs on a vast swath of United States agricultural products until December 31, 2026, and extending the PRC's market-based tariff exclusion process for United States imports until November 10, 2026.

The United States has also agreed to extend until November 10, 2026, certain Section 301 tariff exclusions previously set to expire on November 29, 2025; suspend until November 10, 2026, the implementation of the U.S. Commerce Department Bureau of Industry and Security's interim final rule titled *Expansion of End-User Controls to Cover Affiliates of Certain Listed Entities* ("Affiliates Rule,"); and suspend until November 10, 2026, the implementation of its remedy in response to the Section 301 investigation on *China's Targeting the Maritime, Logistics, and Shipbuilding Sectors for Dominance*.

Both Executive Orders direct the President's trade and economic team to monitor conditions and developments and provide that the President may modify the orders as necessary should the PRC fail to implement its commitments.

### **U.S. Export Controls and Restrictions on Chips**

The U.S. export control regime regulates the export, transfer or disclosure of U.S. products, software, and technology to non-U.S. jurisdictions and non-U.S. persons based on the nature of the product or technology, as well as the destination, transferee, or end use of a specific export or transfer.

The Export Administration Regulations ("EAR"), 15 C.F.R. § 730, et seq., establish the substantive and procedural rules for administering U.S. export controls. The Bureau of Industry Security ("BIS") of the Department of Commerce administers the EAR. The U.S. jurisdiction applies to commodities, software, and technology that are subject to the EAR and located anywhere in the world.

The EAR applies to all items (i.e., commodities, software, and technology) "subject to the EAR," which includes not just U.S.-made items or items physically in the U.S. but also to certain foreign-made commodities that meet the "direct product" rule or "de minimis" rule.

In October 2022, BIS imposed a first set of controls on advanced computing integrated circuits ("IC") and certain semiconductor manufacturing equipment ("SME") used to manufacture advanced computing ICs and other advanced-node ICs restricting access by destinations. In October 2023, BIS updated the technological parameters on its advanced computing controls and broadened the scope of destinations in the 2022 controls. BIS also imposed worldwide license requirements for advanced computing ICs and certain semiconductor end-uses when conducted on behalf of entities headquartered in certain destinations. In April, October, December 2024, BIS made clarifications to the scope of the advanced computing and SME controls.

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## REGULATORY OVERVIEW

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On January 15, 2025, BIS issued an interim final rule on the Framework for Artificial Intelligence Diffusion (“**IFR**”). The IFR amends the EAR adding new controls to regulate the global diffusion of the most advanced artificial intelligence (“**AI**”) models and amending existing controls on advanced computing ICs. The IFR has been effective since January 13, 2025.

The IFR is implemented through a three-pronged strategy to controlling the proliferation of AI model and aims to ensure that the model weights of the most advanced U.S. AI models outside of the United States are stored under stringent security conditions and advanced ICs necessary to train those models are built in. First, the Framework updates controls for advanced computing ICs by requiring a license to export, reexport, or transfer (in-country) to a broad set of additional countries, subject to license exceptions and authorizations. For example, ICs having a total processing performance of 4800 or more, or a total processing performance of 1600 or more and a performance density of 5.92 or more are subject to the worldwide licensing requirement. The license review policy of a transfer to China is a policy of denial.

Second, new controls are instituted on the model weights of the most advanced closed-weight AI models, initially applying to the weights of models trained with  $10^{26}$  computational operations or more.

Third, security conditions are imposed to safeguard the storage of the most advanced models in destinations that pose heightened risks of diversion and to mitigate the risk of diversion for advanced ICs.

The IFR aims to prevent China’s access to advanced computing IC and certain AI model weights. Exports, reexports, and transfers of these technologies to China and to entities headquartered in or having an ultimate parent in China will require licenses. License applications will be reviewed under a presumption of denial.

Prior to the compliance date of the IFR, the U.S. rescinded the IFR on the grounds that it would stifle American innovation and saddle companies with burdensome regulatory requirements.

Instead, on May 13, 2025, BIS published “Guidance on Application of General Prohibition 10 (GP10) to People’s Republic of China (PRC) Advanced-Computing Integrated Circuits (ICs)” (“GP10 Guidance”).

In the GP10 Guidance, BIS warned the public that “all 3A090 ICs designed by companies located in, headquartered in, or with an ultimate parent company headquartered in the PRC, whether such chips are themselves produced within or outside the PRC, likely are subject to the EAR and may have been produced in violation of the EAR, subjecting them to GP10 restrictions. Such chips likely are either designed with certain U.S. software or technology or produced with semiconductor manufacturing equipment that is the direct product of certain U.S.-origin software or technology, or both.”



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## REGULATORY OVERVIEW

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The GP10 Guidance provided a non-exhaustive list of Chinese semiconductors subject to this presumption, specifically referencing the Huawei Ascend 910B-D chips.

On May 13, 2025, BIS also issued “BIS Policy Statement on Controls that May Apply to Advanced Computing Integrated Circuits and Other Commodities Used to Train AI Model” (“Policy Statement”).

The Policy Statement explained that “access to advanced computing integrated circuits (ICs) and commodities subject to the EAR for training AI models has the potential to enable military-intelligence and weapons of mass destruction (WMD) end uses in Country Group D:5 countries (including China) or Macau.”

The Policy Statement listed activities that “may trigger a license requirement under the catch-all controls of part 744 of the EAR when there is “knowledge” that the AI model will be used for a WMD or military-intelligence end use/user,” specifically including where:

Exports, reexports, or transfers (in-country) of advanced computing ICs and commodities subject to the EAR to any party, such as foreign Infrastructure as a Service (IaaS) providers (e.g., data center providers), when the exporter, reexporter, or transferor has “knowledge” that the IaaS provider will use these items to conduct training of AI models for or on behalf of parties headquartered in D:5 countries (including China) or Macau.

Transfers (in-country), defined as a change in end use or end user, of advanced computing ICs and commodities subject to the EAR already in the possession of parties such as IaaS providers, if there is “knowledge” that the items will be used by the transferee to train AI models for or on behalf of parties headquartered in D:5 countries (including China) or Macau.

The Policy Statement cross-references the EAR standard of knowledge, which includes constructive knowledge.

### **Laws and Regulations Relating to U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by U.S. persons for certain investments**

On October 28, 2024, the U.S. Department of the Treasury (“**Treasury**”) Office of Investment Security published a final rule (the “**Final Rule**”) establishing new regulatory controls on certain technology-related investments by U.S. persons in or related to the People’s Republic of China, Hong Kong and Macau (“**countries of concern**”).

The Final Rule, which became effective on January 2, 2025, implements Executive Order 14105 (“**The Outbound Investment Order**”) “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern” (August 9, 2023).



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## REGULATORY OVERVIEW

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Although the Final Rule is not general regarded as a conventional economic sanctions law, the restrictions on investment activities by U.S. persons have similar effects to certain sanctions measures.

The Final Rule applies to U.S. persons engaging in a “covered transaction” involving a “covered foreign person” that engages in certain “covered activities.” Depending on the nature of the “covered activity,” a covered transaction may be prohibited (prohibited transactions) or require notification to Treasury (notifiable transactions).

Covered activity encompasses activities referred to in the definition of “prohibited transactions” and “notifiable transactions” and includes research, development, or manufacturing involving “covered national security technologies and products,” which are sensitive technologies and products in the semiconductors and microelectronics, quantum information technologies, and AI sectors that have military, intelligence, surveillance, or cyber-enabled capabilities.

Generally, activities and technology that are deemed to present the most acute national security concerns are prohibited, while other designated activities are subject to notification requirements.

The Final Rule also defines “excepted transactions” which are excluded from the scope of “covered transactions” and provides for a mechanism for the Secretary of Treasury to exempt certain covered transactions from the Rule on a case-by-case basis.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### OVERVIEW

We primarily develop and sell monitoring and inspection products and solutions for railway operation and power grid companies, and other urban management solutions in the PRC. We mainly provide integrated software and hardware solutions adopting comprehensive AI industry models for monitoring, inspection and maintenance purposes. According to CIC, we were the second largest AI+ traction power supply inspection and detection system provider in China with a market share of around 5.9% based on our traction power supply related revenue in rail transit in 2024. Our Company was established by Mr. Liao, our Chairman, executive Director and Controlling Shareholder, together with two Independent Third Parties in March 2015. We commenced the businesses of rail transit solution, urban management solution and electricity solution in 2018, 2021 and 2022, respectively, and our business experienced a rapid growth. See “Business” for details.

From November 2019 to June 2024, our Company received five rounds of Pre-IPO Investments. See “— Corporate Development of our Company — Pre-IPO Investments” below for details.

In December 2022, our Company converted into a joint stock company. See “— Corporate Development of our Company — Conversion into a joint stock company” below for details.

### BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2015 . . .	Our Company was established in March.
2018 . . .	We commenced our rail transit solution business.
2019 . . .	We became an A-Level Supplier (A級供應商) for the China Railway Group.
2020 . . .	We received the Series A Financing in January.
	We were awarded the “Second Prize for Scientific and Technological Progress (科技進步二等獎)” by Chengdu Railway Bureau.
2021 . . .	We commenced urban management solution business.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Year	Milestone
2022 . . .	<p>We commenced our electricity solution business.</p> <p>We received the Series B Financing and the Series C Financing in May and December.</p> <p>Our Company converted into a joint stock company in December.</p>
2023 . . .	<p>We received the “First Prize in 2023 China Computer Federation Science and Technology Entrepreneurship Competition (2023中國計算機學會創業大賽一等獎)”</p> <p>Our “Typical application scenario of railway transit AI detection and solution based on AI (基於人工智能的軌道交通AI檢測與解決方案典型應用場景)” was recognized as the “Key Platform and New Scenario of New Economy in Sichuan Province (四川省新經濟重點平台和新場景)” by Department of Economy and Information Technology of Sichuan Province (四川省經濟和信息化廳).</p> <p>We received the “Second Prize of Sichuan Provincial Science and Technology Progress (四川省科學技術進步二等獎)” by the People’s Government of Sichuan Province (四川省人民政府).</p> <p>Our Company was recognized as “Specialised, High-end and Innovation-driven ‘Small Giants’ Enterprise (專精特新“小巨人”企業)” by MIIT.</p> <p>Our Company was recognized as “New Economy Demonstration Enterprise in Sichuan Province (四川省新經濟示範企業)” by Department of Economy and Information Technology of Sichuan Province (四川省經濟和信息化廳) and Sichuan Provincial Finance Department (四川省財政廳).</p>
2024 . . .	<p>Our Company received the Series D Financing and the Series D+ Financing in March and June.</p> <p>Our Company was recognized as “Technology Centre of Sichuan Enterprise in 2024 (2024年四川省企業技術中心)” by Department of Economy and Information Technology of Sichuan Province (四川省經濟和信息化廳) etc.</p>

### CORPORATE DEVELOPMENT OF OUR COMPANY

#### Establishment and early development

Prior to the establishment of our Company, Mr. Liao had accumulated extensive experience in the information technology and AI sectors from his previous careers. See “Directors, Supervisors and Senior Management” for details of Mr. Liao’s experience prior to the establishment of our Company. After considering the growth potential in the information technology and AI sectors, Mr. Liao decided to establish his own business in the related industry by utilizing his own capital resources. Accordingly, on March 6, 2015, our Company was established as a limited liability company with the corporate name of Chengdu Nuobikan Technology Company Limited\* (成都諾比侃科技有限公司) in the PRC, with an initial registered capital of RMB1.0 million. At the time of establishment, our Company was owned by Mr. Liao and two Independent Third Parties, namely Xu Lijun (徐利軍) and Hu Bin (胡彬), as to 33.0%, 34.0% and 33.0%, respectively. Mr. Liao became acquainted with them from his previous working experience. At the time of establishment, our Company did not have substantive business operation.

After continuous business exploration, our Company decided to focus on the AI sector by leveraging the related experience and resources of Mr. Liao. In order to have a greater control over our Company to facilitate its decision-making process relating to business expansion, Mr. Liao became the sole shareholder of our Company in April 2017. At the same time, the registered capital of our Company increased from RMB1.0 million to RMB5.0 million, with the increased registered capital fully subscribed by Mr. Liao.

#### Early equity transfers and financing

In May 2017, Mr. Liao transferred the unpaid registered share capital in our Company of RMB625,000 (representing 12.5% of the then registered capital of our Company) to Zhang Xiaojun (張小軍) at a consideration of RMB2,375,000. At the same time, Zhang Xiaojun injected a total of RMB625,000 into our Company. Zhang Xiaojun, a private investor who was looking for suitable investment opportunities in the AI sector, decided to invest in our Company as he was confident in our business, development strategies and the prospects of the industry in which we operate. Zhang Xiaojun had previously acted as a Director and ceased to hold directorship in our Company in August 2024 in order to put more time and effort into his personal business. Save as disclosed above and other than his interest in our Company, Zhang Xiaojun has no other relationship with our Company and is an Independent Third Party. Mr. Liao and our Group became acquainted with Zhang Xiaojun through the introduction of Zheng Sanzhong (鄭三忠), a former external consultant with extensive experience in corporate financing, investment and business management. Zheng Sanzhong had provided strategic advice to our Group in relation to our corporate financing and investment affairs during the period from 2018 to 2023.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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In order to provide incentives, on February 9, 2018, Mr. Liao entered into a share transfer agreement with Tang Taike (唐泰可), Lin Renhui (林仁輝), Su Maocai (蘇茂才) and Zheng Sanzhong, pursuant to which Mr. Liao transferred: (i) 5.0% of the then registered capital in our Company to Tang Taike at a consideration of RMB250,000; (ii) 5.0% of the then registered capital in our Company to Lin Renhui at a consideration of RMB250,000; (iii) 5.0% of the then registered capital in our Company to Su Maocai at a consideration of RMB250,000; and (iv) 7.5% of the then registered capital in our Company to Zheng Sanzhong at a consideration of RMB375,000. The consideration of such transfers was determined based on the corresponding amount of registered capital in our Company being transferred. Tang Taike (our executive Director and chief technology officer), Lin Renhui (the chairman of Supervisory Committee and research and development director, primarily responsible for the development of our core technology infrastructure) and Su Maocai (our research and development director, primarily responsible for the development of specific products based on our core technology infrastructure) are our core employees (collectively, the “**Core Employees**”). Zheng Sanzhong was an external consultant who had provided strategic advice to our Group in relation to our corporate financing and investment affairs. Save as his equity interest in our Company, Zheng Sanzhong is an Independent Third Party.

Despite that Su Maocai acts as our research and development director (研發總監), he is not considered as our senior management member as he is primarily responsible for the development of specific products based on our core technology infrastructure under our Group’s R&D strategy, and has not been granted with management power at the level of our Group. Under the reporting structure of our Group, Su Maocai is required to report his duty to Tang Taike, our executive Director and chief technology officer, who is responsible for overseeing our Group’s daily operations and management, as well as leading our Group’s overall technology development. See “Directors, Supervisors and Senior Management” for further biographical details of Tang Taike.

Our Company commenced the rail transit solution business in 2018 and was in need of capital support at the relevant time. With the introduction of Zheng Sanzhong, our Company became acquainted with Li Peng, a private investor who was looking for suitable investment opportunities in the AI sector. On April 20, 2018, our Company, the then shareholders of our Company and Li Peng (李鵬) entered into a capital increase agreement, pursuant to which Li Peng injected a total of RMB2.0 million into our Company, among which RMB84,700 (representing approximately 1.7% of the enlarged registered capital of our Company) was recorded as our registered capital, with the rest of the funds allocated to our Company’s capital reserves. Li Peng decided to invest in our Company as he was confident in our business, development strategies, as well as the prospects of the industry in which we operate. Save as his equity interest in our Company, Li Peng is an Independent Third Party.

Upon the completion of the above equity changes, our Company was owned as to 63.9% by Mr. Liao, 12.3% by Zhang Xiaojun, 7.4% by Zheng Sanzhong, 4.9% by each of Tang Taike, Lin Renhui and Su Maocai, and 1.7% by Li Peng.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Our rail transit solution business further expanded following the abovementioned equity changes. We became acquainted with China Railway Group in the course of our business development and was subsequently admitted as an A-Level Supplier (A級供應商) of China Railway Group in 2019.

### Introduction of Incentive Platforms

On January 28, 2019, Mr. Liao entered into a share transfer agreement with Tieke Chuangzhi, pursuant to which Mr. Liao transferred 12.8% of the then registered capital in our Company to Tieke Chuangzhi at a consideration of RMB650,000, which represented the amount of registered capital in our Company being transferred. Further, on December 4, 2019, each of Mr. Liao and Tieke Chuangzhi entered into a share transfer agreement with Tieke Intelligent, pursuant to which Mr. Liao and Tieke Chuangzhi transferred the unpaid registered capital in our Company of RMB142,400 in aggregate to Tieke Intelligent at nil consideration.

Mr. Liao has been acting as the general partner of Tieke Chuangzhi and Tieke Intelligent since their respective establishments. At the time of the establishment of Tieke Chuangzhi in January 2019, the limited partners of Tieke Chuangzhi were Wang Wei (王威), our Supervisor and research and development director, as well as Li Chenghui (李成輝)<sup>(1)</sup>, a former external consultant and an Independent Third Party. In April 2019, Li Qingfeng (李慶豐)<sup>(2)</sup> and Liu Qingchang (劉慶昌)<sup>(3)</sup>, two former external consultants and Independent Third Parties, as well as Liang Yin (梁音), a then employee of our Group, became limited partners of Tieke Chuangzhi. Following the establishment of Tieke Intelligent, Li Qingfeng and Liu Qingchang decided to hold their equity interest in our Company by virtue of their capacity as the limited partners of Tieke Intelligent, and they ceased to be the limited partners of Tieke Chuangzhi. In the same month, Liang Yin ceased to be the limited partner of Tieke Chuangzhi due to his departure from our Group.

Li Chenghui, Li Qingfeng and Liu Qingchang did not receive any monetary remuneration for their respective consulting services. As an alternative, they were allowed to hold our equity interest as limited partners of Tieke Chuangzhi and Tieke Intelligent.

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*Notes:*

- (1) Li Chenghui has extensive experience in the information technology and AI sectors. During the period from 2019 to 2024, Li Chenghui provided consulting services to our Group in relation to our AI technology development.
- (2) Li Qingfeng has extensive experience in corporate management and strategic consulting. During the period from 2019 to 2024, Li Qingfeng provided consulting services to our Group in relation to our business development and strategic planning.
- (3) Liu Qingchang has extensive experience in public relations affairs. During the period from 2019 to 2024, Liu Qingchang provided consulting services to our Group in relation to our public relations management affairs.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon the completion of the abovementioned equity changes, the shareholding structure of our Company was tabulated as below:

Shareholder	Registered capital	Shareholding percentage
	<i>(RMB)</i>	<i>(%)</i>
Mr. Liao . . . . .	2,594,950	51.0%
Zhang Xiaojun . . . . .	625,000	12.3%
Tang Taike . . . . .	250,000	4.9%
Lin Renhui . . . . .	250,000	4.9%
Su Maocai . . . . .	250,000	4.9%
Zheng Sanzhong . . . . .	375,000	7.4%
Li Peng . . . . .	84,742	1.7%
Tieke Chuangzhi . . . . .	512,650	10.1%
Tieke Intelligent . . . . .	142,400	2.8%
<b>Total . . . . .</b>	<b>5,084,742</b>	<b>100.0%</b>

In March 2019 and November 2019, Mr. Liao, the Core Employees (i.e. Tang Taike, Lin Renhui and Su Maocai), Tieke Chuangzhi and Tieke Intelligent entered into the Concert Party Agreements. See “— Concert Party Arrangements” below for details.



# HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

## Pre-IPO Investments

From December 2019 to June 2024, our Company received five rounds of Pre-IPO Investments, details are tabulated as below:

Investment Round	Series A Financing	Series B Financing	Series C Financing	Series D Financing		
				Series D Acquisition	Series D Subscription	Series D+ Financing
Date of agreement(s)	November 25, 2019	March 30, 2022 and April 14, 2022	December 15, 2022	March 26, 2024	March 26, 2024	June 26, 2024
Name of investors and amount of registered capital/ number of Shares acquired <sup>(1)</sup>	<ul style="list-style-type: none"> <li>Bojiang Furui (RMB462,245<sup>(2)</sup>)</li> <li>Bojiang Chuangfu (RMB231,123<sup>(2)</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>Fan Zhihe (范志和) (RMB30,411<sup>(2)</sup>)</li> <li>Wei Wenyan (韋文彦) (RMB121,644<sup>(2)</sup>)</li> <li>Bojiang Xingyi (RMB101,370<sup>(2)</sup>)</li> <li>Bojiang Tech Innovation (RMB152,054<sup>(2)</sup>)</li> <li>Pufeng Investment (RMB253,424<sup>(2)</sup>)</li> <li>Bojiang Yueheng (RMB101,370<sup>(2)</sup>)</li> <li>Yayi Innovation Investment (RMB101,370<sup>(2)</sup>)</li> <li>Hainan Wangzhong (RMB101,370<sup>(2)</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>Rongchuang Zibo (1,000,000 Shares<sup>(2)</sup>)</li> <li>Wangzhong Mingxin (200,000 Shares<sup>(2)</sup>)</li> <li>Bojiang Hongda (250,000 Shares<sup>(2)</sup>)</li> <li>Bojiang Junjing (300,000 Shares<sup>(2)</sup>)</li> <li>Bojiang Dingsheng (250,000 Shares<sup>(2)</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>Gao Hejian (高贺健) (320,000 Shares<sup>(3)</sup>)</li> <li>Zhao Dandan (趙丹丹) (35,556 Shares<sup>(3)</sup>)</li> <li>Wu Shuang (吳爽) (17,778 Shares<sup>(3)</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>Chengyu Fund (480,000 Shares<sup>(2)</sup>)</li> <li>Chengdu Wutongshu (80,000 Shares<sup>(2)</sup>)</li> <li>Chengdu Wufa (479,520 Shares<sup>(2)</sup>)</li> <li>Chengdu Tongchuang (480 Shares<sup>(2)</sup>)</li> <li>Chongqing Jiangjin (480,000 Shares<sup>(2)</sup>)</li> <li>Jiaxing Jiuqian (240,000 Shares<sup>(2)</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>Peikun Investment (320,000 Shares<sup>(2)</sup>)</li> </ul>

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Investment Round	Series D Financing					
	Series A Financing	Series B Financing	Series C Financing	Series D Acquisition	Series D Subscription	Series D+ Financing
Total amount of registered capital/ number of Shares acquired . . . . .	Registered capital amounted to RMB693,368	Registered capital amounted to RMB963,013	2,000,000 Shares	373,334 Shares	1,760,000 Shares	320,000 Shares
Consideration . . . . .	RMB30,000,000	RMB95,000,000	RMB100,000,000	RMB21,000,000	RMB110,000,000	RMB20,000,000
Date of full settlement of the consideration . . . . .	January 20, 2020	May 30, 2022	December 28, 2022	March 29, 2024	March 28, 2024	June 27, 2024
Approximate shareholding percentage in our Company immediately after the completion of the respective rounds of Pre-IPO Investments . . . . .	12.0%	14.3%	6.3%	1.1%	5.2%	0.9%

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Investment Round	Series D Financing			
	Series A Financing	Series B Financing	Series C Financing	Series D Financing
			Series D Acquisition	Series D Subscription
Shareholding percentage in our Company immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised) . . . . .	8.1%	11.3%	5.3%	1.0%
			4.6%	0.8%
Valuation of our Company upon the completion of the respective rounds of Pre-IPO Investments .	Approximately RMB250.0 million	Approximately RMB664.8 million	Approximately RMB1,600.0 million	Approximately RMB2,110.0 million <sup>(4)</sup>
			Approximately RMB1,899.0 million <sup>(4)</sup>	Approximately RMB2,130.0 million
Basis of determination of the valuation and consideration . . . . .	The consideration for each round of Pre-IPO Investments were determined after arm's length negotiation amongst the respective Pre-IPO Investors, our Company and/or our Shareholders after taking into consideration of the timing of the investments, the status of our business operations, the financial performance of our Group and our business prospects. See note (4) below for reasons leading to the discrepancy in our Company's valuation under Series D Acquisition and Series D Subscription.			
Cost per Share <sup>(5)</sup> . . . . .	RMB9.7 per Share	RMB22.2 per Share	RMB50.0 per Share	RMB56.3 per Share
			RMB62.5 per Share	RMB62.5 per Share
Discount to the Offer Price <sup>(6)</sup> . . . . .	88.5%	73.8%	41.0%	33.6%
			26.2%	26.2%

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Investment Round	Series D Financing				
	Series A Financing	Series B Financing	Series C Financing	Series D Subscription	Series D+ Financing
Use of proceeds from the Pre-IPO Investments . . . . .	We utilized the proceeds from the Pre-IPO Investments (other than the proceeds from the Series D Acquisition) for our principal business as approved by the Board, including but not limited to our research and development activities, the growth and expansion of our Company's business and general working capital purposes. As at the Latest Practicable Date, all of the proceeds from the Pre-IPO Investments have been utilised. We did not receive any proceeds from the Series D Acquisition.				
Strategic benefits to our Company . . . . .	We are of the view that our Company can benefit from the investments by the Pre-IPO Investors as their investments demonstrated their confidence in our Group's operations and served as an endorsement of our Company's performance, strengths and prospects. We also believe that the Pre-IPO Investors with their diversified background, experience in investment, corporate management, investor relations and expertise in various industries, will be able to provide us with insights and advice on our Group's business development, introduce us to more potential customers and bring us with more potential opportunities.				
Lock-up . . . . .	The Pre-IPO Investors are not subject to any lock-up arrangement at the time of Listing under the relevant agreements in relation to the Pre-IPO Investments.  Pursuant to the applicable PRC law, within the 12 months from the Listing Date, all existing Shareholders (including the Pre-IPO Investors) could not dispose of any of the Shares held by them.				
Notes:					
(1)	Between Series B Financing and Series C Financing, on December 7, 2022, our Company converted into a joint stock company. See “— Conversion into a joint stock company” below for details.				
(2)	The relevant registered capital/Shares were subscribed from our Company.				
(3)	The relevant Shares were acquired from Mr. Liao.				
(4)	The valuation of our Group in Series D Acquisition was slightly lower than that in Series D Subscription, primarily because (i) the Series D Acquisition was a deal among our Shareholders, our Company neither participated in its price determination process, nor received any proceeds from it; and (ii) there was no open market for our Shares at the time of the Series D Acquisition, the parties to the Series D Acquisition agreed to downward adjust the valuation due to the lack of liquidity of our Shares.				
(5)	The cost per Share paid by the Pre-IPO Investors was calculated based on the amount of investment made by the relevant Pre-IPO Investors and number of Shares held by them immediately before the completion of the Global Offering.				
(6)	Discount to the Offer Price is calculated based on the assumption that the Offer Price is HK\$93.0 per Offer Share, being the mid-point of the indicative Offer Price range of HK\$80.0 to HK\$106.0 per Offer Share.				

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### Special Rights Granted to the Pre-IPO Investors

The Pre-IPO Investors have been granted with special rights (the “**Special Rights**”) including prior consent for certain corporate actions, director and supervisor appointment right, pre-emptive right, co-sale right, anti-dilution right, redemption right, information right, no more favorable term and liquidation preference.

On November 7, 2024, the Company and its then existing Shareholders (including the Pre-IPO Investors) entered into a supplemental agreement (the “**Supplemental Agreement**”), pursuant to which the Special Rights were automatically terminated on the day immediately preceding the date on which the Company filed its Listing application, and shall only resume to be exercisable upon the withdrawal of the Listing application by the Company or rejection of the Listing application by the Stock Exchange. No Special Rights will survive after the Listing.

The redemption obligation of the Company with regard to the redemption right granted to Pre-IPO Investors in Series A Financing had been terminated in March 2022. With respect to the redemption right granted to the Pre-IPO Investors in Series B Financing, Series C Financing, Series D Financing and Series D+ Financing, such redemption right was solely subject to arrangements between the Pre-IPO Investors and Mr. Liao, Mr. Tang Taike, Mr. Lin Renhui, Mr. Su Maocai and Tieke Chuangzhi (collectively, the “**Redemption Obligators**”). Such arrangement stipulated that if our Company fails to complete a qualified IPO, or if other triggering events for redemption occur, the Pre-IPO Investors would have the right to require the Redemption Obligators (and not our Company) to repurchase their Shares. Given that the Redemption Obligator were our Shareholders and the not our Company, and our Company has no obligation to repurchase the Shares, no redemption liability was recorded during the Track Record Period in respect of such redemption right.

Our Company confirms that: (1) there are no other side arrangements between our Company and the Pre-IPO Investors or between our Company and the Redemption Obligators in relation to the redemption right; and (2) our Company has not provided any guarantee for the redemption right granted by the Redemption Obligators under the aforementioned arrangement in case of default. The Redemption Obligators have also confirmed that there are no other side arrangements between them and the Pre-IPO Investors in relation to the redemption right. For details on the accounting treatment of the redemption right granted to the Pre-IPO Investors, see note 27 to the Accountants’ Report set out in Appendix I to this prospectus.

Our PRC Legal Advisor is of the view that the Special Rights, including the redemption right, have been terminated pursuant to the terms of the Supplemental Agreement; and the Supplemental Agreement does not violate any mandatory provisions of laws, administrative regulations, or public order and morals, and is thus legally valid.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### *PRC Legal Advisor's Confirmation*

As advised by our PRC Legal Advisor, our Company has obtained all necessary approvals from competent authorities or made all necessary registration or filings with the relevant local branch of the State Administration for Market Regulation (國家市場監督管理總局) in respect of the Pre-IPO Investments in material aspects set out above.

### *Sole Sponsor's Confirmation*

On the basis that (i) the consideration for the Pre-IPO Investment was settled more than 28 clear days before the first filing of the listing application by our Company with the Stock Exchange, and (ii) the termination of special rights granted to the Pre-IPO Investors as disclosed in “Special rights granted to the Pre-IPO Investors” above, the Sole Sponsor has confirmed that the Pre-IPO Investments are in compliance with the Chapter 4.2 under the Guide.

In particular, in confirming that the Special Rights, including the redemption right, had been terminated pursuant to the terms of the Supplemental Agreement, the Sole Sponsor has conducted due diligence work including, among others: (i) reviewing the relevant investment agreements and the Supplemental Agreements entered into by our Company and the then Shareholders, (ii) reviewing the legal opinion issued by the PRC Legal Advisor, and (iii) discussing with the PRC Legal Advisor and the PRC legal advisors to the Sole Sponsor to understand the treatment of the aforementioned special rights in the Supplemental Agreement under PRC laws. Based on the due diligence work conducted, nothing has come to the Sole Sponsor's attention that would cause them to cast doubt on the view of our Directors and the PRC Legal Advisors above.

### *Information about Pre-IPO Investors*

The background information of the Pre-IPO Investors is set out below.

#### *Investors in Series A Financing*

##### 1. Bojiang Furui

Bojiang Furui is a limited partnership investment fund established under the laws of the PRC on June 19, 2018, which is principally engaged in equity investment. The general partner of Bojiang Furui is Shanghai Bojiang, holding approximately 0.1% of partnership interest in Bojiang Furui. Bojiang Furui has nine limited partners, all of them are limited partnership investment funds controlled and managed by Shanghai Bojiang. None of these limited partners holds 30% or more partnership interest in Bojiang Furui. Shanghai Bojiang is a wholly-owned subsidiary of Broad General Holding (together with Shanghai Bojiang and Bojiang Entities, are collectively referred to as “**Bojiang**”).

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Bojiang is a private investment fund manager focusing on investing in high-tech industries in China including digital and information technology, pharmaceutical and medical technology, aviation and aerospace technology, new materials, high technology service, new energy and energy efficiency, advanced manufacturing and automation, and resources and environment. Bojiang was looking for suitable investment opportunities in the AI sector in the PRC at the relevant time, it discovered our Group through its internal project screening process. Bojiang was confident in our business and prospects and participated in our Series A Financing, Series B Financing and Series C Financing through different Bojiang Entities. Bojiang Entities are limited partnership investment funds established in the PRC, operated and managed by their sole general partner, Shanghai Bojiang, which in-turn is indirectly wholly owned by Broad General Holding. The controlling shareholders of Broad General Holding are Luo Tian (羅闐) and his spouse. Luo Tian has over 18 years of experience in investment and fund management. He has been acting as the president of Shanghai Bojiang since September 2005 and the chairman of the board of Shanghai Bojiang since April 2019. Luo Tian currently acts as the chairman, chief executive officer and executive director of Broad General Holding, responsible for overseeing and managing the overall business operation of Bojiang.

### 2. Bojiang Chuangfu

Bojiang Chuangfu is a limited partnership investment fund established under the laws of the PRC on January 10, 2018, which is principally engaged in equity investment. The general partner of Bojiang Chuangfu is Shanghai Bojiang, holding approximately 0.04% of partnership interest in Bojiang Chuangfu. Bojiang Chuangfu has six limited partners, five of them are limited partnership investment funds controlled and managed by Shanghai Bojiang, while the remaining one is Bojiang Group Limited.\* (博將集團有限公司), the holding company of Shanghai Bojiang, being an indirect wholly-owned subsidiary of Broad General Holding. None of these limited partners holds 30% or more of partnership interests in Bojiang Chuangfu. See “— 1. Bojiang Furui” above for details of Shanghai Bojiang and its beneficial owners.

### *Investors in Series B Financing*

#### 1. Fan Zhihe (范志和)

Fan Zhihe is the chairman of Shanghai Serum Bio-Technology Co., Ltd.\* (上海賽倫生物技術股份有限公司), a joint stock company with limited liability whose shares are listed on the Shanghai Stock Exchange (stock code: 688163.SH). Fan Zhihe is also a private investor, he was looking for suitable investment opportunities in the AI sector at the relevant time. We came to know Fan Zhihe in the course of our financing activities. Fan Zhihe decided to invest in our Company as he was confident in our business and prospects.



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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### 2. Wei Wenyan (韋文彥)

Wei Wenyan is the general manager and executive director of Suzhou Jintao Li Trading Co., Ltd.\* (蘇州金桃李貿易有限公司), a company primarily engaged in catering and hotel management. Wei Wenyan is also a private investor, she was looking for suitable investment opportunities in the AI sector at the relevant time. We came to know Wei Wenyan in the course of our financing activities. Wei Wenyan decided to invest in our Company as she was confident in our business and prospects.

### 3. Bojiang Xingyi

Bojiang Xingyi is a limited partnership investment fund established under the laws of the PRC on May 12, 2021, which is principally engaged in equity investment. The general partner of Bojiang Xingyi is Shanghai Bojiang, holding approximately 1.2% of partnership interest in Bojiang Xingyi. Bojiang Xingyi has 14 limited partners, none of them holds 30% or more partnership interests in Bojiang Xingyi. See “Investors in Series A Financing — 1. Bojiang Furui” above for details of Shanghai Bojiang and its beneficial owners.

### 4. Bojiang Tech Innovation

Bojiang Tech Innovation is a limited partnership investment fund established under the laws of the PRC on May 23, 2019, which is principally engaged in equity investment. The general partner of Bojiang Tech Innovation is Shanghai Bojiang, holding 0.0003% of partnership interest in Bojiang Tech Innovation. Bojiang Tech Innovation has two limited partners, namely, Lishui Bojiang Kechuang Jiazhi Equity Investment Partnership (Limited Partnership)\* (麗水博將科創嘉致股權投資合夥企業(有限合夥)) (“**Kechuang Jiazhi**”, holding 53.5% of partnership interest in Bojiang Tech Innovation) and Lishui Bojiang Kechuang Jiaxuan Equity Investment Partnership (Limited Partnership)\* (麗水博將科創嘉選股權投資合夥企業(有限合夥)) (“**Kechuang Jiaxuan**”, holding 46.5% partnership interest in Bojiang Tech Innovation). Shanghai Bojiang also acts as the general partner of Kechuang Jiazhi and Kechuang Jiaxuan. See “Investors in Series A Financing — 1. Bojiang Furui” above for details of Shanghai Bojiang and its beneficial owners.

### 5. Pufeng Investment

Pufeng Investment is a limited partnership investment fund established under the laws of the PRC on May 12, 2017, which is principally engaged in equity investment. Pufeng Investment is owned by its general partner, Beijing Heng Kuan Pufeng International Equity Investment Management Co., Ltd.\* (北京衡寬普豐國際創業投資管理有限公司) (“**Heng Kuan Pufeng**”) and other 12 limited partners, none of them holds 30% or more of partnership interests in Pufeng Investment. Liu Chaoyang (劉朝陽), an Independent Third Party, is the chairman, general manager and legal representative of Heng Kuan Pufeng.

### 6. Bojiang Yueheng

Bojiang Yueheng is a limited partnership investment fund established under the laws of the PRC on November 10, 2020, which is principally engaged in equity investment. The general partner of Bojiang Yueheng is Shanghai Bojiang, holding approximately 0.001% of partnership interest of Bojiang Yueheng. Bojiang Yueheng has 18 limited partners, none of them holds 30% or more of partnership interest in Bojiang Yueheng. See “Investors in Series A Financing — 1. Bojiang Furui” above for details of Shanghai Bojiang and its beneficial owners.

### 7. Yayi Innovation Investment

Yayi Innovation Investment is a limited company established under the laws of the PRC on February 21, 2022, which is principally engaged in equity investment. Yayi Innovation Investment is wholly owned by Zhejiang Yayi Metal Technology Co., Ltd.\* (浙江雅藝金屬科技股份有限公司) (“**Zhejiang Yayi**”), a joint stock company whose shares are listed on the Shenzhen Stock Exchange (stock code: 301113.SZ). Save as their interest in our Company, Yayi Innovation Investment and Zhejiang Yayi are Independent Third Parties.

### 8. Hainan Wangzhong

Hainan Wangzhong is a limited partnership investment fund established under the laws of the PRC on October 27, 2021, which is principally engaged in equity investment. Hainan Wangzhong is owned by its general partner, Li Xin (李信, an Independent Third Party save as his interest in our Company through Hainan Wangzhong and Wangzhong Mingxin (as set out below)) and other five limited partners, none of them holds 30% or more of partnership interests in Hainan Wangzhong.

## *Investors in Series C Financing*

### 1. Rongchuang Zibo

Rongchuang Zibo is a limited partnership investment fund established under the laws of the PRC on April 19, 2022, which is principally engaged in equity investment. Rongchuang Zibo is owned as to 0.3% by its general partner, Chengdu Venture Capital Co., Ltd.\* (成都創新風險投資有限公司) (“**Chengdu Venture Capital**”), 98.0% by Chengdu Science and Technology Innovation Investment Group Co., Ltd.\* (成都科技創新投資集團有限公司) (“**Chengdu Innovation Investment**”), and other 16 individual limited partners who are Independent Third Parties (save as their interest in our Company through Rongchuang Zibo). Chengdu Venture Capital and Chengdu Innovation Investment are controlled by the SASAC of Chengdu Municipal Government (成都市國有資產監督管理委員會).

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### 2. Wangzhong Mingxin

Wangzhong Mingxin is a limited partnership investment fund established under the laws of the PRC on July 22, 2022, which is principally engaged in equity investment. Wangzhong Mingxin is owned by its general partner, Hainan Wangzhong Equity Private Equity Fund Management Co., Ltd.\* (海南望眾股權私募基金管理有限公司) (“**Wangzhong Fund**”) and other 9 limited partners, none of them holds 30% or more of partnership interests in Wangzhong Mingxin. Wangzhong Fund is controlled by Li Xin, an Independent Third Party except for his interest in our Company through Hainan Wangzhong (as set out above) and Wangzhong Mingxin.

### 3. Bojiang Hongda

Bojiang Hongda is a limited partnership investment fund established under the laws of the PRC on March 24, 2022, which is principally engaged in equity investment. The general partner of Bojiang Hongda is Shanghai Bojiang, holding approximately 1.2% of partnership interest of Bojiang Hongda. Bojiang Hongda has 14 limited partners, none of them holds 30% or more of partnership interest in Bojiang Hongda. See “Investors in Series A Financing — 1. Bojiang Furui” above for details of Shanghai Bojiang and its beneficial owners.

### 4. Bojiang Junjing

Bojiang Junjing is a limited partnership investment fund established under the laws of the PRC on November 10, 2020, which is principally engaged in equity investment. The general partner of Bojiang Junjing is Shanghai Bojiang, holding approximately 0.5% of partnership interest of Bojiang Junjing. Bojiang Junjing has 37 limited partners, none of them holds 30% or more of partnership interest in Bojiang Junjing. See “Investors in Series A Financing — 1. Bojiang Furui” above for details of Shanghai Bojiang and its beneficial owners.

### 5. Bojiang Dingsheng

Bojiang Dingsheng is a limited partnership investment fund established under the laws of the PRC on May 12, 2021, which is principally engaged in equity investment. The general partner of Bojiang Dingsheng is Shanghai Bojiang holding approximately 0.7% of partnership interest in Bojiang Dingsheng. Bojiang Dingsheng has three limited partners, namely, Lishui Bojiang Dingsheng No. 17 Yihao Equity Investment Partnership (Limited Partnership)\* (麗水博將鼎昇十七號一號股權投資合夥企業(有限合夥)) (“**Dingsheng Yihao**” holding approximately 32.8% of partnership interest in Bojiang Dingsheng), Lishui Bojiang Dingsheng No. 17 Erhao Equity Investment Partnership (Limited Partnership)\* (麗水博將鼎昇十七號二號股權投資合夥企業(有限合夥)) (“**Dingsheng Erhao**” holding approximately 34.5% of partnership interest in Bojiang Dingsheng) and Lishui Bojiang Dingsheng No. 17 Sanhao Equity Investment Partnership (Limited Partnership)\* (麗水博將鼎昇十七號三號股權投資合夥企業(有限合夥)) (“**Dingsheng Sanhao**” holding approximately 32.0% of partnership interest in

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Bojiang Dingsheng). Shanghai Bojiang also acts as the general partner of each of Dingsheng Yihao, Dingsheng Erhao and Dingsheng Sanhao. See “Investors in Series A Financing — 1. Bojiang Furui” above for details of Shanghai Bojiang and its beneficial owners.

### *Investors in Series D Financing*

#### 1. Gao Hejian (高賀健)

Gao Hejian is a private investor who was looking for suitable investment opportunities in the AI sector at the relevant time. We came to know Gao Hejian in the course of our financing activities. Gao Hejian decided to invest in our Company as he was confident in our business and prospects.

#### 2. Zhao Dandan (趙丹丹)

Zhao Dandan is a private investor who was looking for suitable investment opportunities in the AI sector at the relevant time. We came to know Zhao Dandan in the course of our financing activities. Zhao Dandan decided to invest in our Company as she was confident in our business and prospects.

#### 3. Wu Shuang (吳爽)

Wu Shuang is a private investor who was looking for suitable investment opportunities in the AI sector at the relevant time. We came to know Wu Shuang in the course of our financing activities. Wu Shuang decided to invest in our Company as he was confident in our business and prospects.

#### 4. Chengyu Fund

Chengyu Fund is a limited partnership investment fund established under the laws of the PRC on October 10, 2023, which is principally engaged in equity investment. The general partners of Chengyu Fund are Chengdu Jizhuan Venture Capital Co., Ltd.\* (成都技轉創業投資有限公司) (“**Jizhuan Venture Capital**”) and Huada (Chongqing) Equity investment Fund Management Co., Ltd.\* (華達(重慶)私募股權投資基金管理有限公司) (“**Huada Fund**”), each holds 0.1% of the partnership interest in Chengyu Fund. The limited partners of Chengyu Fund are Chengdu Wutongshu (holding 54.8% of partnership interest in Chengyu Fund), Chongqing Jiangjin (holding 35.0% of the partnership interest in Chengyu Fund) and West (Chongqing) Science City Jiangjin Park Development and Construction Group Co., Ltd.\* (西部(重慶)科學城江津園區開發建設集團有限公司) (“**West Construction Group**”) (holding 10.0% of the partnership interest in Chengyu Fund). Chengdu Wutongshu and Chongqing Jiangjin are two other Pre-IPO Investors in Series D Financing. Jizhuan Venture Capital is controlled by the SASAC of Chengdu Municipal Government; and both Huada Fund and West Construction Group are controlled by the SASAC of Jiangjin District of Chongqing Municipal Government.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### 5. Chengdu Wutongshu

Chengyu Wutongshu is a limited partnership investment fund established under the laws of the PRC on November 22, 2021, which is principally engaged in equity investment. Chengdu Wutongshu is owned by its general partner, Jizhuan Venture Capital, as to 0.05%, and as to 99.95% by Chengdu Innovation Investment. Both Jizhuan Venture Capital and Chengdu Innovation Investment are controlled by the SASAC of Chengdu Municipal Government.

### 6. Chengdu Wufa

Chengdu Wufa is a limited liability company established under the laws of the PRC on May 26, 2023, which is principally engaged in equity investment. Chengdu Wufa is owned as to 51.0% by Chengdu Innovation Investment and as to 49.0% by Chengdu Wufa Industrial Equity Investment Fund Partnership (Limited Partnership)\* (成都武發產業股權投資基金合夥企業(有限合夥)) (“**Wufa Industrial**”). Chengdu Innovation Investment is controlled by the SASAC of Chengdu Municipal Government; and Wufa Industrial is controlled by the SASAC of Wuhou District of Chengdu Municipal Government.

### 7. Chengdu Tongchuang

Chengdu Tongchuang is a limited partnership investment fund established under the laws of the PRC on December 2, 2021, which is principally engaged in equity investment. Chengdu Tongchuang is owned by its general partner, Li Wenjia (李文佳), and three individual limited partners, none of them holds 30% or more partnership interests in Chengdu Tongchuang. Pursuant to the acting-in-concert arrangement between Chengdu Wufa and Chengdu Tongchuang, Chengdu Tongchuang shall act according to Chengdu Wufa’s instruction for the matters which are subject to the approval in the general meetings of our Company.

### 8. Chongqing Jiangjin

Chongqing Jiangjin is a limited partnership investment fund established under the laws of the PRC on September 19, 2022, which is principally engaged in equity investment. Chongqing Jiangjin is owned by its general partner, Huada Fund, and three limited partners, namely, Chongqing Jiangjin District Huaxin Asset Operation Group Co., Ltd.\* (重慶市江津區華信資產經營(集團)有限公司) (“**Huaxin Asset**”, holding 50.0% partnership interest in Chongqing Jiangjin), West Construction Group (holding 49.0% partnership interest in Chongqing Jiangjin), and Chongqing Jiangjin Comprehensive Bonded Zone Development Group Co., Ltd.\* (重慶江津綜合保稅區發展集團有限公司, holding 0.9% partnership interest in Chongqing Jiangjin). Each of the partners of Chongqing Jiangjin is controlled by SASAC of Jiangjin District of Chongqing Municipal Government.

### 9. Jiaxing Jiuqian

Jiaxing Jiuqian is a limited partnership investment fund established under the laws of the PRC on January 10, 2022, which is principally engaged in equity investment. Jiaxing Jiuqian is owned by its general partner, Jiufeng (Hangzhou) Venture Capital Management Co., Ltd.\* (九豐(杭州)創業投資管理有限公司) (“**Jiufeng Venture Capital**”) and other four limited partners, none of them holds 30% or more of partnership interests in Jiaxing Jiuqian. Jiufeng Venture Capital is controlled by its executive director, Xie Guoqiang (謝國強). Save as their interest in our Company through Jiaxing Jiuqian, the partners of Jiaxing Jiuqian are Independent Third Parties.

#### *Investor in Series D+ Financing*

### 1. Peikun Investment

Peikun Investment is a limited partnership investment fund established under the laws of the PRC on December 11, 2023, which is principally engaged in equity investment. Peikun Investment is owned by its two general partners, namely Chengdu Peikun Shenghua Venture Capital Partnership (Limited Partnership)\* (成都沛坤盛華創業投資合夥企業(有限合夥)) (“**Peikun Shenghua**”) and Chengdu Venture Capital, as well as other four limited partners, none of them holds 30% or more of partnership interests in Peikun Investment. Among the two general partners of Peikun Investment, Peikun Shenghua acts as the executive partner and manager of Peikun Investment, which has been granted with the power to manage the affairs of Peikun Investment. Chengdu Venture Capital, as the other general partner, is responsible for supervising the management activities carried out by Peikun Shenghua.

The general partner of Peikun Shenghua is Chengdu Peikun Qinfeng Technology Partnership Enterprise (Limited Partnership)\* (成都沛坤秦風科技合夥企業(有限合夥)) (“**Peikun Qinfeng**”). Peikun Qinfeng is held as to 68.0% by its general partner, Pingtan Peikun Chunhua Investment Co., Ltd.\* (平潭沛坤春華投資有限公司) (“**Pingtang Peikun**”), and as to 32.0% by its limited partner, Chengdu Peibo Technology Co., Ltd.\* (成都沛伯科技有限公司) (“**Chengdu Peibo**”). Pingtan Peikun is controlled by Pan Sha (潘莎), who is the executive director of Pingtan Peikun. Chengdu Peibo is controlled by Zhang Tao (張濤), who is the executive director of Chengdu Peibo. Save as their interest in our Company through Peikun Investment, the partners of Peikun Investment and their beneficial owners are Independent Third Parties. Chengdu Venture Capital is controlled by the SASAC of Chengdu Municipal Government.

### **Conversion into a joint stock company**

On November 21, 2022, our then Shareholders passed resolutions approving, among others, (i) the conversion of our Company from a limited liability company into a joint stock company with limited liability; (ii) the conversion of our Company’s audited net assets value in an amount of RMB131,722,799.28 as of July 31, 2022 into 30,000,000 Shares with a nominal value of RMB1.0 each, which shall be issued to the then Shareholders in proportion



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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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to their respective equity interests in the registered capital of our Company prior to such conversion; (iii) the remaining net assets value was credited as capital reserves of our Company; and (iv) the change our Company's Chinese name from “成都諾比侃科技有限公司” to “諾比侃人工智能科技(成都)股份有限公司”. Such conversion was completed on December 7, 2022.

Our PRC Legal Advisor has confirmed that all the required consents, approvals, authorization or filings in relation to the changes of our shareholding described above have been made and obtained and the aforesaid changes of our shareholding have been properly and legally completed in accordance with the applicable PRC laws and regulations.

### CONCERT PARTY ARRANGEMENTS

To consolidate the voting rights and for the benefit of our long term development, on March 10, 2019, Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui and Su Maocai entered into a concert party agreement. Further, following its establishment, Tieke Intelligent entered into an accession agreement on November 29, 2019.

Pursuant to the Concert Party Agreements, Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent agreed that they shall act in concert with respect to, inter alia, the right to propose resolutions at general meetings, voting rights and other matters which are subject to the approval in general meetings of our Company, for the period since the dates of the Concert Party Agreements and upon the expiration of our Company's registered operating period. In particular, among others, Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent have agreed that (i) they shall reach consensus before voting unanimously at the general meetings of our Company; (ii) in the event that consensus cannot be reached among the parties, the parties shall follow the instruction of Mr. Liao; and (iii) in the event that the relevant parties fail to attend general meetings, they shall be deemed to have entrusted Mr. Liao to vote at such meetings.

As of the Latest Practicable Date, by virtue of the Concert Party Agreements, Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent are collectively entitled to exercise voting rights underlying approximately 51.1% of the total issued share capital of our Company, among which:

- (i) Mr. Liao, our founder, executive Director and Chairman is entitled to exercise voting rights underlying approximately 41.3% of the total issued share capital of our Company through (a) his direct interest in 11,175,039 Shares, representing approximately 32.8% of the total issued share capital of our Company; (b) his capacity as the general partner of Tieke Chuangzhi, which holds 2,281,459 Shares, representing approximately 6.7% of the total issued share capital of our Company; and (c) his capacity as the general partner of Tieke Intelligent, which holds 633,726 Shares, representing approximately 1.9% of the total issued share capital of our Company;



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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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- (ii) Tieke Chuangzhi is entitled to exercise voting rights underlying approximately 6.7% of the total issued share capital of our Company through its direct interest in 2,281,459 Shares;
- (iii) Tang Taike is entitled to exercise voting rights underlying approximately 3.3% of the total issued share capital of our Company through his direct interest in 1,112,581 Shares;
- (iv) Lin Renhui is entitled to exercise voting rights underlying approximately 3.3% of the total issued share capital of our Company through his direct interest in 1,112,581 Shares;
- (v) Su Maocai is entitled to exercise voting rights underlying approximately 3.3% of the total issued share capital of our Company through his direct interest in 1,112,581 Shares; and
- (vi) Tieke Intelligent is entitled to exercise voting rights underlying approximately 1.9% of the total issued share capital of our Company through its direct interest in 633,726 Shares.

The limited partners of Tieke Chuangzhi and Tieke Intelligent are employee and external consultants of our Group. Despite the fact that the limited partners of Tieke Chuangzhi and Tieke Intelligent hold the Shares together with Mr. Liao through these two entities, they are not considered as our Controlling Shareholders as: (i) their interests in our Company through Tieke Chuangzhi and Tieke Intelligent are treated as incentives from our Company; (ii) none of them is entitled to exercise the voting rights underlying the Shares held by Tieke Chuangzhi and Tieke Intelligent as such power has been exclusively granted to Mr. Liao, being the sole general partner of Tieke Chuangzhi and Tieke Intelligent; (iii) there is no formal or informal agreements, arrangements and/or understanding (whether oral or written) among these limited partners themselves or among these limited partners with Mr. Liao, in relation to the exercise of voting powers underlying the Shares held by Tieke Chuangzhi and Tieke Intelligent; and (iv) these limited partners do not fall within the meaning of “acting-in-concert” for the purpose of the Takeovers Code with any of our Controlling Shareholders.

In light of the above, Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent are considered as a group of Controlling Shareholders. See “Relationship with our Controlling Shareholders” for details.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### OUR PRINCIPAL SUBSIDIARY

Our Company is headquartered in Chengdu, Sichuan Province. As of the Latest Practicable Date, we have five subsidiaries in total, all of them are located in the PRC. Among these subsidiaries, Zhonggui Railway made material contribution to our financial and operation results during the Track Record Period. Details of Zhonggui Railway are tabulated as below:

Name	Principal business activities	Date and place of establishment	Ownership by our Group
Zhonggui Railway . . .	development and commercialization of our rail transit solutions	September 19, 2017, the PRC	100%

Zhonggui Railway is a company established in the PRC with limited liability on September 19, 2017. At the time of establishment, the registered capital of Zhonggui Railway was RMB5.0 million and was wholly owned by our Company. On August 8, 2022, the registered capital of Zhonggui Railway increased from RMB5.0 million to RMB10.0 million, with the increased registered capital fully subscribed by our Company. The shareholding structure and amount of registered capital of Zhonggui Railway have remained unchanged since then.

### PREVIOUS A-SHARE LISTING PLAN

In view of the growing potential of the A-Share market, our Company previously considered the possibility of seeking an initial public offering in the A-Share market in the PRC (the “**A-Share Listing Plan**”).

In February 2023, our Company entered into a tutoring agreement with China International Capital Corporation Limited (中國國際金融股份有限公司) in preparation for the A-share listing application on the Science and Technology Innovation Board of Shanghai Stock Exchange (上海證券交易所科創板) and made a preliminary filing (上市輔導備案) with the Sichuan office of CSRC (中國證券監督管理委員會四川監管局), which did not constitute a listing application. During the tutoring period in preparation for the A-Share Listing Plan, we did not encounter any disagreements with the professional parties or the relevant securities regulatory authorities.

To further expand our global business and considering that the Hong Kong Stock Exchange would provide us with an international platform to access foreign capital and attract diverse overseas investors, the Company voluntarily decided not to proceed with the A-Share Listing Plan and instead to pursue a Listing in Hong Kong. As a result, in August 2024, our Board resolved to terminate the tutoring agreement with China International Capital Corporation Limited, which was further approved by our Shareholders in September 2024.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Further, in October 2024, our Board and Shareholders resolved to apply for the Listing on the Stock Exchange. As of the Latest Practicable Date, we have neither filed any formal A-share listing application with, nor received any material comments or inquiries from the relevant securities regulatory authorities.

Our Company is not aware of any matters that in relation to the A-Share Listing Plan that would affect the Company's suitability for listing on the Stock Exchange or would need to be brought to the attention of the Stock Exchange and/or potential investors of the Company.

Based on the information and representation given by the Company and the Directors, and the due diligence steps undertaken by the Sole Sponsor, the Sole Sponsor concurs with the Directors' foregoing view.

### **PUBLIC FLOAT**

Our Company has applied for H-share full circulation to convert certain of the Unlisted Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of Unlisted Shares into H Shares will involve an aggregate of 26,647,978 Unlisted Shares held by 33 existing Shareholders, representing approximately 70.4% of total issued share capital of our Company upon completion of the conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Over-allotment Option is not exercised). Save as disclosed in this prospectus and to the best knowledge of our Directors, we are not aware of the intention of any existing Shareholders to convert their Unlisted Shares. For further details, see "Share Capital" in this prospectus.

Upon the completion of the Global Offering (assuming that the Over-allotment Option is not exercised) and the conversion of Unlisted Shares into H Shares, our Company will have 7,432,022 Unlisted Shares, 26,647,978 H Shares converted from Unlisted Shares and 3,786,600 H Shares to be issued pursuant to the Global Offering, among which:

- (i) the 7,432,022 Unlisted Shares (representing approximately 19.6% of our total issued Shares upon Listing, assuming that the Over-allotment Option is not exercised) will not be considered as part of the public float as Unlisted Shares will not be converted into H Shares; and
- (ii) among the 26,647,978 H Shares converted from Unlisted Shares,
  - (a) Mr. Liao is our executive Director and one of our Controlling Shareholders, hence the 6,705,023 H Shares held by him will not be counted towards the public float;
  - (b) Mr. Liao acts as the general partner of Tieke Chuangzhi and Tieke Intelligent, hence the 2,281,459 H Shares and 633,726 H Shares held by Tieke Chuangzhi and Tieke Intelligent will not be counted towards the public float;

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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- (c) each of Tang Taike, Lin Renhui and Su Maocai is a party acting-in-concert with Mr. Liao and is considered to be a Controlling Shareholder. Therefore, an aggregate of 3,337,743 H Shares held by Tang Taike, Lin Renhui and Su Maocai will not be counted towards the public float; and
- (d) each of the Bojiang Entities is controlled by our substantial Shareholder, Shanghai Bojiang. Therefore, an aggregate of 5,464,660 H Shares held by Bojiang Shareholders will not be counted towards the public float.

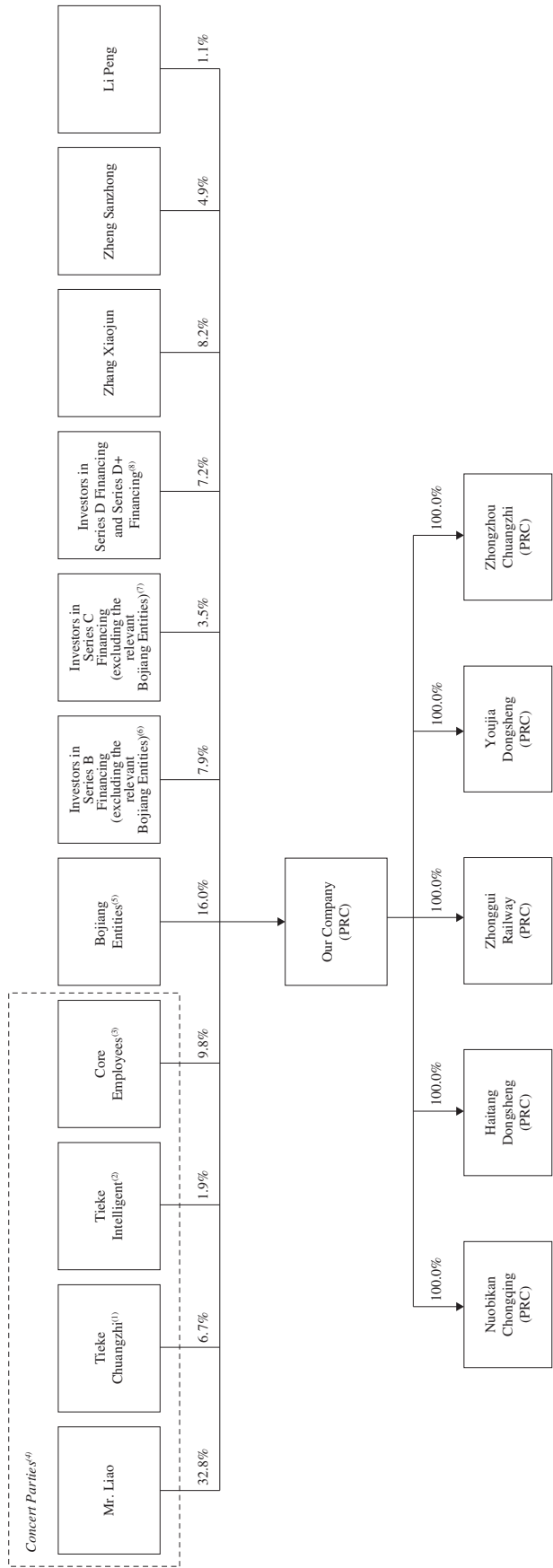
With respect to the indicative Offer Price range of HK\$80.0, HK\$93.0 and HK\$106.0 per Offer Share (being the low-end, mid-point and the high-end of the Offer Price, respectively) and assuming the Over-allotment Option is not exercised, the expected market capitalization of the Company's H Shares at the time of Listing will be approximately HK\$2.4 billion, HK\$2.8 billion and HK\$3.2 billion, respectively. To the best knowledge of our Directors, upon the completion of the Global Offering and Conversion of Unlisted Shares into H Shares, assuming the Over-allotment Option is not exercised, an aggregate of 12,011,967 H Shares (including the issue of 3,786,600 H Shares pursuant to the Global Offering) held or controlled by our Shareholders who are not our core connected persons, representing approximately 31.7% of our total issued Shares, will be counted towards the public float. Under Rule 19A.13A(1) of the Listing Rules, in the event the expected market value of the Company's H Shares upon Listing does not exceed HK\$6 billion, at least 25% of the total issued H Shares must be held by the public upon Listing, and the Company's expected public float of 31.7% will satisfy the minimum requirement of 25%. Therefore, the Company will be able to meet the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules.

### **FREE FLOAT**

19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no 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 and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000. Based on the low-end of the indicative Offer Price range at HK\$80.0 per Offer Share, our Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

CORPORATE STRUCTURE

The chart below sets out the shareholding structure of our Group immediately prior to the completion of the Global Offering:

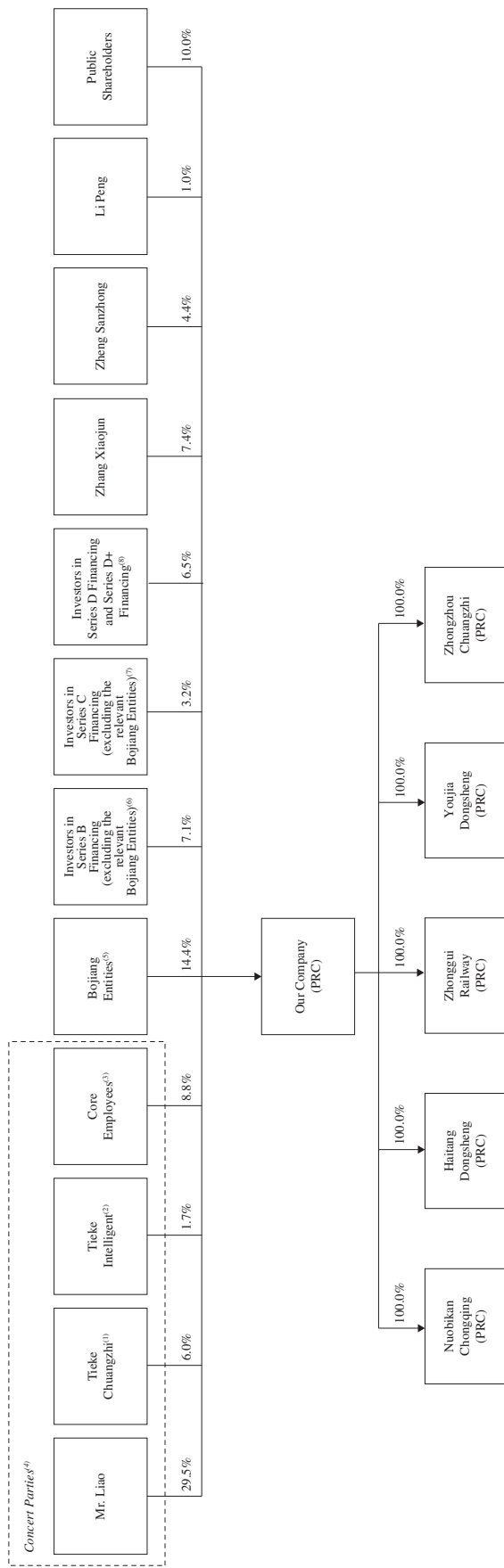


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*Notes:*

- (1) Tieke Chuangzhi is owned as to 65.3% by Mr. Liao, as to 29.8% by Li Chenghui, an external consultant, and as to 4.9% by Wang Wei, our Supervisor and research and development director, respectively. Mr. Liao acts as the general partner of Tieke Chuangzhi.
- (2) Tieke Intelligent is owned as to 3.5% by Mr. Liao and two external consultants of our Company, namely Li Qingfeng and Liu Qingchang, as to 61.5% and 35.0%, respectively. Mr. Liao acts as the general partner of Tieke Intelligent.
- (3) Core Employees include Tang Taike (our executive Director and chief technology officer), Lin Renhui (the chairman of the Supervisory Committee and research and development director) and Su Maocai (our research and development director), each holding 3.3% of the issued share capital of our Company, respectively.
- (4) See “— Concert Party Arrangements” above in this section for details.
- (5) Bojiang Entities include Bojiang Furui, Bojiang Chuangfu, Bojiang Xingyi, Bojiang Tech Innovation, Bojiang Yueheng, Bojiang Hongda, Bojiang Junjing and Bojiang Dingsheng, holding 6.0%, 3.0%, 1.3%, 2.0%, 1.3%, 0.8%, 0.9% and 0.7% of the issued share capital in our Company, respectively. Bojiang Entities participated in our Series A Financing (through Bojiang Furui and Bojiang Chuangfu), Series B Financing (through Bojiang Xingyi, Bojiang Tech Innovation and Bojiang Yueheng) and Series C Financing (through Bojiang Hongda, Bojiang Junjing and Bojiang Dingsheng). See “Corporate Development of our Company — Pre-IPO Investments” above for details.
- (6) Include Fan Zhihe, Wei Wenyan, Pufeng Investment, Yayi Innovation Investment and Hainan Wangzhong, holding 0.4%, 1.6%, 3.3%, 1.3% and 1.3% of the issued share capital of our Company, respectively.
- (7) Include Rongchuang Zibo and Wangzhong Mingxin, holding 2.9% and 0.6% of the issued share capital of our Company, respectively.
- (8) Investors in Series D Financing and Series D+ Financing include Gao Hejian, Zhao Dandan, Wu Shuang, Chengyu Fund, Chengdu Wutongshu, Chengdu Wufu, Chengdu Tongchuang, Chongqing Jiangjin, Jiaxing Jiuqian and Peikun Investment, holding 0.9%, 0.1%, 0.1%, 1.4%, 0.3%, 1.4%, 0.001%, 1.4%, 0.7% and 0.9% of the issued share capital of our Company, respectively.

The chart below sets out the shareholding structure of our Group immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised):





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*Notes:*

- (1) Tieke Chuangzhi is owned as to 65.3% by Mr. Liao, as to 29.8% by Li Chenghui, an external consultant, and as to 4.9% by Wang Wei, our Supervisor and research and development director, respectively. Mr. Liao acts as the general partner of Tieke Chuangzhi.
- (2) Tieke Intelligent is owned as to 3.5% by Mr. Liao and two external consultants of our Company, namely Li Qingfeng and Liu Qingchang, as to 61.5% and 35.0%, respectively. Mr. Liao acts as the general partner of Tieke Intelligent.
- (3) Core Employees include Tang Taike (our executive Director and chief technology officer), Lin Renhui (the chairman of the Supervisory Committee and research and development director) and Su Maocai (our research and development director), each holding 2.9% of the issued share capital of our Company, respectively.
- (4) See “— Concert Party Arrangements” above in this section for details.
- (5) Bojiang Entities include Bojiang Furui, Bojiang Chuangfu, Bojiang Xingyi, Bojiang Tech Innovation, Bojiang Yueheng, Bojiang Hongda, Bojiang Junjing and Bojiang Dingsheng, holding 5.4%, 2.7%, 1.2%, 1.8%, 1.2%, 0.7%, 0.7% and 0.7% of the issued share capital in our Company, respectively. Bojiang Entities participated in our Series A Financing (through Bojiang Furui and Bojiang Chuangfu), Series B Financing (through Bojiang Xingyi, Bojiang Tech Innovation and Bojiang Yueheng) and Series C Financing (through Bojiang Hongda, Bojiang Junjing and Bojiang Dingsheng). See “Corporate Development of our Company — Pre-IPO Investments” above for details.
- (6) Investors in Series B Financing include Fan Zhihe, Wei Wenyan, Pufeng Investment, Yayi Innovation Investment and Hainan Wangzhong, holding 0.4%, 1.4%, 3.0%, 1.2% and 1.2% of the issued share capital of our Company, respectively.
- (7) Investors in Series C Financing include Rongchuang Zibo and Wangzhong Mingxin, holding 2.6% and 0.5% of the issued share capital of our Company, respectively.
- (8) Investors in Series D Financing and Series D+ Financing include Gao Hejian, Zhao Dandan, Wu Shuang, Chengyu Fund, Chengdu Wutongshu, Chengdu Wufa, Chengdu Tongchuang, Chongqing Jiangjin, Jiaxing Jiuqian and Peikun Investment, holding 0.8%, 0.1%, 0.1%, 1.3%, 0.2%, 1.3%, 0.001%, 1.3%, 0.6% and 0.8% of the issued share capital of our Company, respectively.

## BUSINESS

### OVERVIEW

#### Who We Are

We primarily develop and sell monitoring and inspection products and solutions for railway operation and power grid companies, and other urban management solutions in the PRC. We mainly provide integrated software and hardware solutions adopting comprehensive AI industry models for monitoring, inspection and maintenance purposes.

We serve customers in various industries. During the Track Record Period, we generated revenue from businesses including (i) rail transit for transportation solution business, (ii) electricity for energy solution business, and (iii) urban management solution business.

The following table summarizes the business model of our three main businesses during the Track Record Period:

	Rail Transit Solution	Electricity Solution	Urban Management Solution
Main products or services sold . . . . .	Catenary checking system (接觸網懸掛狀態缺陷識別系統) for defect detection of the suspension status of overhead railway traction power lines (our main “Rail Transit 4C Product”) which has a relatively high product maturity and is compatible with, and can be integrated into, the railway network of China with relatively less room needed for customization.	(1) IT operation support, monitoring, operation and maintenance and big data processing and analysis for Data Centers of integrated grid construction projects (電網融合建設IT運維) (2) Power grid inspection for defect detection of power transmission and distribution lines	(1) NBK Industry Application Platform, and (2) Domain-specific products with customized functions, covering application scenarios of park, campus, emergency and community management for scenario monitoring, IoT monitoring, emergency response, and big data analysis
Main product or service type . . . . .	Software and hardware integrated solutions	(1) Software products (2) Software and hardware integrated solutions	Software and hardware integrated solutions
Main customer type . . . . .	Distributors; Direct customers	Director customers; System integrators	Direct customers; System integrators

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## BUSINESS

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	Rail Transit Solution	Electricity Solution	Urban Management Solution
Main targeted end-customers . . . . .	Railway bureaus and their subordinate units	Power grid companies and inspection and analysis service providers of power grid companies	Public sector customers including government agencies, television and broadcasting service providers, public medical and education institutions, industrial park management committees, etc
Revenue model . . . . .	Primarily non-project based, revenue generated by sales of products	Mostly project based, revenue generated for each project highly dependent on scope of project and customized requirements of customers	Mostly project based, revenue generated for each project highly dependent on scope of project and customized requirements of customers

Our core strength lies in the deep integration of underlying technology with application scenarios. We have a deep understanding of customer needs, business requirements, and industry challenges, which gives us a significant advantage in optimizing product capabilities based on industry insights and service experience. With our robust technical capabilities and continuously accumulated industry experience, we have successfully achieved mature applications in various industry verticals:

- Transportation solution business.** We have accumulated extensive industry experience in the area of rail transit, and our products have been highly recognized by customers such as local railway bureaus for higher defect detection rates and other enhanced functionality. In multiple industry benchmark tests, our self-developed algorithm-based products have achieved excellent results. We had as of June 30, 2025 provided catenary checking solutions to more than 80% of the number of railway bureaus (including more than 60% of the number of power supply subsections) in China as we at least covered one or more railway routes of each such railway bureau with a cumulative railway mileage of approximately 460,000 kilometers and detection of around 235,000 defects since such solutions were commercialized in 2019. In addition to rail transit solution business, we were also as of the Latest Practicable Date at various stages of trial run and other necessary preparation work for commercialization in respect of city transportation solution business and airport solution business, respectively.
- Energy solution business.** For electricity of our energy solution business and as of June 30, 2025, we had provided solutions to integrated grid construction projects for the IT operation and maintenance of over 100 distributed energy storage Data Centers, including thousands of servers, software and hardware systems, and

network devices deployed in such Data Centers. Our solutions had also as of June 30, 2025 assisted our customers with power grid inspection of more than 30,000 kilometers of power transmission and distribution lines. As of the Latest Practicable Date, in addition to electricity, we had also initiated the commercialization process in respect of our chemical engineering solution business.

- **Urban management solution business.** We are dedicated to providing digitalized and visualized solutions in the context of urban management for a comprehensive and diverse range of application scenarios, which mainly cover park management, campus management, emergency management and community management. Such solutions are intended to achieve AI-empowered inspection and management of equipment and urban environment.

We have managed to expand market share with the launch and continuous iteration of self-developed AI products and solutions that excel in product precision and AI computational speed especially for the railway industry. The competitive landscape of the AI market in China's railway industry is fragmented. According to CIC, we were one of the earliest companies in the PRC to achieve industrial application in the field of AI+ inspection and monitoring solutions for rail transit industry and in terms of revenue in 2024, we were the second largest AI+ traction power supply inspection and detection system provider in China and we ranked third in the rail transit industry in China for provision of AI+ inspection and monitoring solutions. AI+ traction power supply inspection and detection solutions market and AI+ rail transit inspection and monitoring solutions market accounted for around 2.2% and 11.6%, respectively, of the market share of China's AI+ rail transit solution industry in 2024 in terms of revenue.

We have received numerous significant industry honors. In 2020, we were awarded the "Major Scientific and Technological Innovation Achievement in Railway" (鐵路重大科技創新成果) by National Railway Administration of the PRC and the Second Prize for Scientific and Technological Progress (科技進步二等獎) by Chengdu Railway Bureau. In 2023, we also received the Second Prize of Sichuan Provincial Science and Technology Progress (四川省科學技術進步二等獎). Additionally, we continue to collaborate with partners such as railway bureaus and universities on projects like the catenary checking system (接觸網懸掛狀態缺陷識別系統), resulting in multiple research and development achievements.

### **Our Products and Solutions**

During the Track Record Period, we mainly sold to customers integrated software and hardware solutions adopting different AI industry models applicable to a wide range of application scenarios which accounted for 59.8%, 63.9%, 94.5%, and 80.8% of our total revenue for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. Such integrated solutions mainly take the form of (i) back-end integrated servers (一體機) embedded with AI-based software, (ii) front-end devices mainly

including precision inspection robots, high-speed AI camera and edge analysis equipment, or a combination of (i) and (ii). To a lesser extent, we also sold AI-based software products and provided Technology Services to customers during the Track Record Period.

### *Transportation Solution Business*

- **Rail Transit:** We provide integrated software and hardware solutions to rail transit customers for various application scenarios, in particular, (a) inspection of railway traction power supply systems, (b) monitoring of railway external environment, and (c) inspection of cargo train operation status.

One key product for rail transit solution business is the catenary checking system (接觸網懸掛狀態缺陷識別系統) which is mainly used for the detection of defects with the suspension status of overhead railway traction power lines. According to CIC, our catenary checking system is one of the first to be industrialized for the railway network in China. As of June 30, 2025, we had provided catenary checking solutions to more than 80% of the number of railway bureaus (including more than 60% of the number of power supply subsections) in China as we at least covered one or more railway routes of each such railway bureau with a cumulative railway mileage of approximately 460,000 kilometers and detection of around 235,000 defects since such solutions were commercialized in 2019.

During the Track Record Period, our sales for rail transit solution business covered 27 provinces in China and with sales mainly targeting (i) distributors, mainly being companies engaged in the provision of information technology products and services and having established business relationships with railway bureaus and other end customers, and (ii) direct customers, mainly comprising end customers such as railway bureaus and their subordinate units.

- **City Transportation and Airport:** For city transportation, we are cooperating with a city industrial platform for the development, commercialization and promotion of a comprehensive solution targeted to facilitate daily administration of city transportation. As of the Latest Practicable Date, the project was at the stage of onsite trial run in preparation for commercialization. For airport, we are in the process of development of airport docking products which are machine vision products suitable for assisting airplanes in precise docking at close parking positions. As of the Latest Practicable Date, we were in the process of trial run and necessary product access certification of our airport docking products in preparation for commercialization for sales targeting customers such as airport operators.

### *Energy Solution Business*

- **Electricity:** We provide products and solutions for such business mainly under two application scenarios. One scenario is for IT operation and maintenance of integrated grid construction covering aspects including IT operation support, monitoring, operation and maintenance and big data processing and analysis. During the Track Record Period, we mainly provided under this application scenario AI-based software products to system integrators serving power grid companies.

Another scenario is for power grid inspection, especially for defect detection of power transmission and distribution lines. During the Track Record Period, we mainly provided under this application scenario integrated software and hardware solutions to direct customers such as inspection and analysis service providers of power grid companies.

- **Chemical Engineering:** In the area of refining process for chemical engineering, we are developing, for a large-scale petrochemical enterprise in China, an inspection robotic patrol system for a refining substation. As of the Latest Practicable Date, we had submitted the product development proposal of the inspection system to this petrochemical enterprise which was subsequently approved for entering into the contract signing stage. We also provide chemical engineering solutions for the safety management of oil depots in respect of special operation management, personnel location monitoring and dual prevention of accidents from occurrence and escalation. As of the Latest Practicable Date, we had entered the delivery stage for the sale of oil depot safety management system to an oil depot operator customer with customer acceptance completed for a portion of the products delivered.

### *Urban Management Solution Business*

We provide products and solutions for urban management solution business covering a wide suites of application scenarios which mainly include: (i) park management, (ii) campus management, (iii) emergency management and (iv) community management.

We mainly provide integrated software and hardware solutions for urban management solution business. The key types of products we provide for such business include: (a) NBK Industry Application Platform which is a general-purpose tool platform, and (b) domain-specific products with customized functions for specific application scenarios.

During the Track Record Period, our urban management products and solutions were primarily sold to: (i) system integrators mainly being companies engaged in the integration of information technology products and services to end customers of urban management projects, and (ii) direct customers such as urban management service providers.

For further information of our business model, see “– Business Model.”

### **Our NBK-INTARI AI Platform and AI Industry Models**

Through cumulation of industry experience and ongoing R&D efforts, we have developed an underlying AI technology platform, the NBK-INTARI AI Platform, which integrates function modules for data collection, preprocessing, annotation and analysis, as well as for model training and optimization. According to CIC, our NBK-INTARI AI Platform is at the forefront of underlying AI technology platforms in China in the fields of big data processing, deep learning and fundamental algorithms.

See “– Core Technologies and IT Infrastructure – The NBK-INTARI AI Platform” for further details.

We develop diverse AI industry models for various business scenarios and continuously refine our algorithm models and products. An AI industry model refers to the aggregate of algorithm modules that tailors to the utilization in a specific business scenario. Our AI industry models are multimodal covering vision mode, simulation mode, language mode, and hardware mode. Our AI industry models can interconnect with one another which creates synergies across diverse business scenarios.

See “– Business Model – Our AI Industry Models” for further details.

### **Our Market Opportunities**

Fueled by the rapid development of technologies such as machine learning, neural networks, natural language processing and digital twins, AI has evolved in recent decades from a pure theoretical concept to practical applications in real life and is increasingly playing a prominent role across industries including transportation, urban management, energy management, manufacturing, entertainment and consumption. The concept of “AI+,” being the extension of AI technologies into specialized applications across diverse industries, becomes the catalyst for new technologies, models, and ecosystems and a crucial factor in driving economic growth and innovation.

In recent years, newer technological trends such as large models for industry verticals and multimodal integration have emerged to address the challenges brought about by the implementation of large models. Apart from technology capabilities, industry players with a deeper understanding of specific industries are better positioned to succeed in the large models implementation era. The urge to commercialization is not limited to large models alone. All AI technologies are by and large heading toward integration with industrial applications in sectors such as transportation, energy, urban management, healthcare, manufacturing, culture and entertainment. At the backdrop of such industry trends and transformation, AI+ industrial integration is playing a pivotal part in harnessing the full value of AI technologies to embrace broader market opportunities in the future with enhanced commercial viability and innovation potential. In particular:



- **AI+ Transportation:** China is endowed with a vast and complex transportation network, facing numerous pain points such as complicated environments, delayed accident responses, and limitations of manual inspection. AI+ transportation solutions are capable of addressing these pain points with the adoption of machine vision technology together with simulation, data mining, natural language processing and smart hardware technologies. According to CIC, the market size of China's AI+ transportation solutions industry is projected to grow from RMB329.9 billion in 2025 to RMB600.0 billion by 2029, reflecting a CAGR of 16.1%.
- **AI+ Energy:** The energy sector in China faces a number of challenges in respect of maintaining operational safety, optimizing energy resource allocation along with rapid development, and fostering the green energy initiatives. AI+ solutions can be utilized to address these challenges prevalent in the energy sector in a cost-efficient manner. According to CIC, the market size of China's AI+ energy solutions industry is projected to grow from RMB0.7 trillion in 2025 to RMB1.3 trillion by 2029, at a CAGR of 16.7%.
- **AI+ Urban Management:** China's AI+ urban management solutions market is driven by a variety of factors including rapid urbanization and increasing population density, public spending in AI+ urban management projects and rise of integrated AI+ urban management platforms. According to CIC, the market size of China's AI+ urban management solutions industry is projected from RMB0.8 trillion in 2025 to grow to RMB1.3 trillion by 2029, at a CAGR of 12.9%.

In March 2024, the Premier of China included “AI+” in the Government Work Report, highlighting the importance of advancing AI+ initiatives as a key task. Following this, in July 2024, the Beijing Municipal Development and Reform Commission released the “Beijing Municipal Action Plan to Promote ‘AI+’ (2024-2025)”, which focuses on accelerating AI applications across industries and establishing a comprehensive framework to leverage foundational models for economic and societal development. These policy-driven initiatives are fostering the adoption of AI technologies in various sectors in China, creating significant market opportunities for companies with advanced AI capabilities. They open avenues for expanding applications in transportation, energy, urban management, and beyond. We stand out in the market through our early market entry advantages and proven expertise in implementing AI+ solutions into real-world applications. As one of the earliest companies in China of AI-driven innovations in the transportation and energy sectors, we have become a well-established industry player setting industry standards and securing a strong foothold in China. Given these strengths, we are well-positioned to capitalise on several market opportunities. In particular, our early market entry advantages enable us to expand into underpenetrated regions or emerging AI+ infrastructure markets, leveraging our advanced industry positions to influence new and emerging industry standards and practices. Additionally, our integration expertise can be harnessed to address the growing demand for large-scale, mission-critical AI+ solutions.

### Financial Overview

During the Track Record Period, our revenue was primarily generated from the sales of integrated solutions for our transportation, energy and urban management solution businesses. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our total revenue was RMB252.6 million, RMB363.7 million, RMB402.6 million, and RMB231.6 million, respectively, representing a CAGR of 26.2% from 2022 to 2024.

Leveraging our core AI technologies and in-depth understanding of the application areas and industries, we have sustained profitability with a continuous increase in net profit during the Track Record Period. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our profit for the year or period was RMB63.2 million, RMB88.6 million, RMB115.4 million, and RMB40.1 million, respectively, representing a CAGR of 35.2% from 2022 to 2024.

### STRENGTHS

#### First-mover advantages in the application of AI technology in various industry verticals

We have the first-mover advantages in the application of AI technology in various industry verticals which have enabled us to achieve the following results in AI applications, according to CIC:

- We are one of the earliest AI+ solutions providers in China to achieve industrial application in the field of AI+ inspection and monitoring solutions for rail transit industry.
- Our self-developed catenary checking system was accredited as a “Major Scientific and Technological Innovation Achievement in Railway” (鐵路重大科技創新成果) in 2020 and is one of the first to be industrialized for the railway network in China.
- We are one of the first AI+ solutions providers in China to:
  - apply beyond visual range technology (超視距技術) together with AI technology in the railway operations assistance scenarios for the rail transit industry;
  - provide real-time and simultaneous image-taking, detection and analysis of the external railway environment in highly fast-moving status;
  - deploy self-operating inspection robots to conduct automatic and intelligent catenary checking;
  - apply fully self-controlled and domestic AI technologies in airplane docking products and solutions; and

- collaborate with a professional chemical engineering academician workstation in researches for the engineering application of AI technology empowering the petrochemical industry.

Furthermore, in the fields of AI applications for transportation, energy and urban management in China:

- **Transportation.** As of June 30, 2025, we had provided catenary checking solutions to more than 80% of the number of railway bureaus (including more than 60% of the number of power supply subsections) in China as we at least covered one or more railway routes of each such railway bureau with a cumulative railway mileage of approximately 460,000 kilometers and detection of around 235,000 defects since such solutions were commercialized in 2019. According to CIC, the number of railway bureaus and power supply subsections covered by us as of June 30, 2025 in this regard is at the forefront of China's rail transit industry as compared to such AI-empowered catenary checking solutions by peer companies. Separately, our catenary checking solutions are capable of simultaneously capturing more than 800 detection points for defect detection which is of a generally higher level as compared to peer companies in the provision of such AI-empowered catenary checking solutions, according to CIC.
- **Energy.** As of June 30, 2025, we had provided solutions to integrated grid construction projects for the IT operation and maintenance of over 100 distributed energy storage Data Centers, including thousands of servers, software and hardware systems, and network devices deployed in such Data Centers. As of June 30, 2025, our solutions had also assisted our customers with power grid inspection of more than 30,000 kilometers of power transmission and distribution lines.
- **Urban Management.** We are capable of providing AI-empowered solutions to customers via our NBK Industry Application Platform covering main machine vision key points for AI related monitoring and analysis. These key points include those for (i) environmental monitoring, such as flame and smoke detection, as well as traffic flow statistics, and (ii) behaviour detection, such as crowd gathering detection, abnormal behaviour of persons, and intrusion detection.

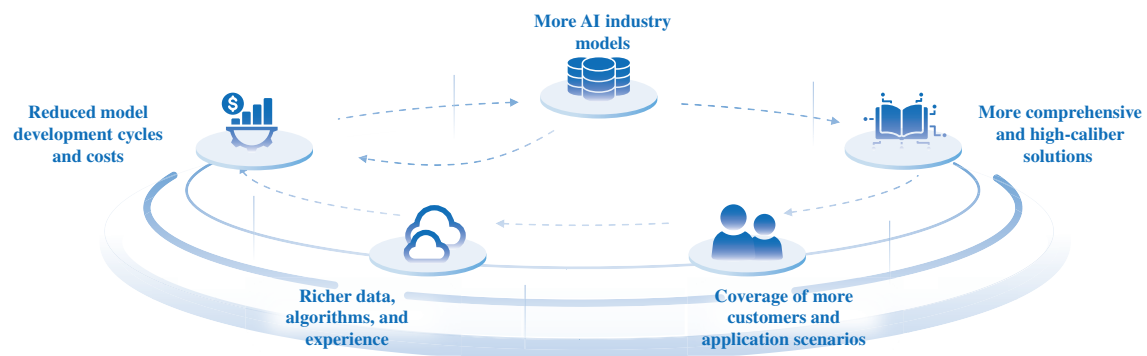
The AI+ transportation, AI+ energy and AI+ urban management solutions industries in China have experienced robust growth in the past few years with their respective market size by revenue increased from 2019 to 2024 at a CAGR of 24.6%, 24.6% and 11.8%, respectively, according to CIC. These have made us well-positioned to benefit from the industry growth momentum and to achieve rapid business growth in line with the increasing penetration of intelligence and AI+ applications in these industries in the future.

**Our AI technology integrated with application scenarios for high revenue growth and sustained profitability**

We deeply engaged in end-customer industries including transportation, energy and urban management for AI related applications. This has given us insight of customer needs, business requirements, and industry pain points for us to continuously optimize products based on industry insights and service experience. Our core competency lies in the deep integration of underlying technologies with application scenarios, enabling us to excel in customer acquisition and driving sustained high growth revenue. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our total revenue was RMB252.6 million, RMB363.7 million, RMB402.6 million, and RMB231.6 million, respectively, representing a CAGR of 26.2% from 2022 to 2024.

We rapidly and cost-effectively generate solutions for different application scenarios, while the flywheel effect continuously reduces model development cycles and costs. As a result, we have achieved sustained profitability. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our profit for the year or period was RMB63.2 million, RMB88.6 million, RMB115.4 million, and RMB40.1 million, respectively, representing a CAGR of 35.2% from 2022 to 2024.

We continuously integrate core underlying technologies and industry experience into the NBK-INTARI AI Platform and industry models. Our product development focuses on expanding the application of our solutions to more scenarios, continually reducing implementation costs and timelines, and enhancing the versatility and scalability of our solutions. This creates a flywheel effect in that more AI industry models would give rise to more comprehensive and high-caliber solutions. More solutions would enhance our coverage to more customers and application scenarios. More access to different customers and application scenarios would enrich our data, algorithms and other industry experiences that enable us to expedite the development of our AI industry models with cost-efficiency which in turn further contribute to the magnitude of our AI industry models. The following diagram illustrates the flywheel effect accordingly:



Our future performance will continue to be driven by the development of our existing businesses covering rail transit, electricity and urban management. In the meantime, we are also actively exploring new business opportunities in areas such as city transportation, airport and chemical engineering, which are expected to support our future performance growth.

**Fast-moving to meet customer needs with products and solutions of high precision, efficiency, and comprehensive functionality**

Our expertise in AI technology, deep industry understanding, and strong execution capabilities, enable us to react fast from receiving customer requirements to providing solutions and subsequent updates. Typically, it takes us only one to three months to come up with usable solutions from the time we receive customer requirements. Such speed of response to demand has been highly recognized by our customers.

We have long been deeply engaged in AI monitoring and inspection technologies in the rail transit sector and we are dedicated to offering products and solutions that are of higher precision, enhanced safety and fewer errors and omissions in railway monitoring and inspection services. Based on product evaluations conducted at customers' sites, our precision inspection robots and other products support the image-generating and other functions of catenary checking with typically a defect detection rate of more than 95%, which is of a superior function compared to similar peer products according to CIC. Given that the rail transit industry is a critical infrastructure sector impacting national and public welfare, the safety and stability of rail equipment operations and the railway environment are crucial to passenger safety and well-being. As such, our products have become a preferred choice by customers due to their high-caliber performance in ensuring the safety and effective operations of catenary checking and inspections of railway under equivalent conditions.

We entered the AI+ energy industry in 2022 and established partnerships with customers in the power grid sector by introducing IT operation and maintenance solutions to integrated grid construction projects. Our solutions are able to assist customers with high-recognition monitoring and inspection of Data Centers even by using images or video captured by standard cameras and can automatically generate 3D layout diagrams and models of Data Centers, as well as related big data analysis. In the power grid application field, our products offer comprehensive functionality with optimized cost-performance ratio and have a competitive edge in key areas of equipment defect detection and environmental anomaly monitoring.

For our urban management solution business, we have developed and commercialized both general-purpose and domain-specific products. In particular, the NBK Industry Application Platform is a general-purpose tool platform which serves as a gateway for us to reach different clientele by tapping into their commonly prevalent needs for urban management. The attributes of such a product also further enhanced our fast-moving capabilities in response to customers' needs.

### **Interconnectivity across multiple scenarios and industries enabled by our multimodal AI industry models**

Our AI industry models have evolved from one-dimensional to multi-dimensional, enabling interconnection amongst different scenarios within the same industry. We refer to models for specific application scenarios within a particular industry as one-dimensional models. As the application scenarios within the industry expanded over time, we have combined multiple one-dimensional models into multi-dimensional models, allowing for more comprehensive utilization and exploration of data, as well as more accurate and multi-dimensional support for decision making. For instance, the power supply (供電) industry model, track maintenance (工務) industry model and train operation (車務) industry model within the context of rail transit are interconnected with one another in a dynamic way. When making judgment whether the operation and maintenance status of certain rail transit equipment is abnormal, we not only rely on the power supply industry model but also combine analysis of the engineering equipment parameters and vehicle equipment parameters at the corresponding location based on the track maintenance and train operation industry models. As such, the cross-specialties or cross-business scenarios multi-dimensional modelling can be utilized to achieve operation and maintenance of rail transit equipment and systems in a more dynamic and effectively manner.

In addition, our AI industry models have also evolved to achieve cross-industry applications. Through model interconnection, we can tap into similar needs across different industries which are usually inherent with comparable business logic that can be applied to a modular algorithm platform for us to replicate from one industry to another with growingly enhanced adaptability. For example, we have seamlessly replicated the power supply industry model in rail transit to both of our electricity solution business and chemical engineering solution business, especially in the aspect of power transmission and distribution, making it an integral part of the electricity and chemical engineering AI industry models. This is largely attributable to the commonly shared power transmission and distribution business scenarios prevalent in these businesses, in particular, the power transmission and distribution business segments for power grid, as well as the electrical equipment for chemical refining. We design and promote products with high versatility and replicability by reinforcing our grasp of the overlaps and similarities amongst different industries.

Our simulation models building on years of accumulation in technologies are crucial for the generation of scarce data within each industry. In the industrial sector, there is a scarcity of data that is of low-frequency but at the same time of high-risk. In this connection, we have dedicated considerable time and effort to the development of the digital twins simulation model to optimize its simulation authenticity. Taking our rail transit solution business as an example, the breaking of catenary wires or loosening of nuts fastening railway hardware components may be incidents of low probability but are of dire impact if materialized. Data related to these scarce circumstances are hard to come by in reality but can be generated, trained and validated in large volumes through automated or semi-automated simulation models to facilitate railway staff's prevention of such incidents.

### **Rich experience serving customers with high-standard supplier selection process**

Our products and solutions primarily target, directly and indirectly, public sector customers such as railway bureaus and power grid companies. These customers typically have lengthy and stringent supplier selection processes and tend to have relatively high stickiness once a business relationship is formed, especially with suppliers of proven track record and mature business capabilities. We have been providing products and solutions to railway customers consecutively for the past five years. We also continue to undertake research projects in various industries together with public sector business partners, such as in connection with our Academician Workstation Research. For further details, see “— Business Model — Energy Solution Business — Chemical Engineering Solution Business.” Additionally, we had also entered into a strategic cooperation agreement with a district government in Chengdu for collaborations in AI related endeavours for urban management.

Suppliers typically need to undergo a tender process for providing products and services to railway customers. Entry barriers for attending these tenders are relatively high as railway customers would not only look at a candidate’s past service experience, company qualifications and product testing reports in general, but would also set specific requirements including security assessment certificates on certain products, track record on industry benchmark test results, or technical requirements that exceed predetermined standards. We have a proven track record of long and stable business relationships with railway bureau customers and we possess extensive service experience, technical certifications and various industry qualifications. During the Track Record Period and with respect to our direct sales to railway bureaus and their subordinate units for rail transit solution business, we had participated in eight, 13, 19, and 16 of such tender and bidding process in 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, out of which we had won five, eight, ten, and ten of such bidding process, respectively, representing an overall bidding success rate of around 60% for the Track Record Period.

### **Founding team with years of collaboration and accumulated achievements from R&D endeavors**

Our success to a large extent is attributable to our founding and management team of visionary and experienced leaders in the industry with a combination of technical expertise, commercial acumen and decades of dedications to the industry. With years of collaboration, our founding team take on a proactive and down-to-earth approach in our product and technology development in pursuit of optimized performance. Led by their wealth of experience, strategic insights and strong managerial skills, we are able to establish a proven track record of strong business performance and financial success during the Track Record Period. See “Directors, Supervisors and Senior Management” for further biographical details of our core team.



Furthermore, our success is also owing to the relentless efforts of our employees, including many R&D talents who continue to push the boundaries in product and technological innovation for advancing the AI+ solutions industries in which we operate. Our core R&D team members all have many years of experience in AI algorithms, big data, and software information engineering. As of June 30, 2025, our R&D team was comprised of 135 personnel which in aggregate represented more than two thirds of our total workforce.

Lead by our founding team, we have accumulated over the years commendable achievements in R&D. As of the Latest Practicable Date, we had been granted 103 patents in the PRC comprised of 80 invention patents, 19 utility model patents and four design patents and we also registered 96 software copyrights in the PRC. We have received a large number of industry awards and recognitions for our R&D achievements, which include, the Major Scientific and Technological Innovation Achievement in Railway (鐵路重大科技創新成果) by the National Railway Administration of the PRC, the Second Prize for Scientific and Technological Progress (科技進步二等獎) by Chengdu Railway Bureau, the Second Prize of Sichuan Provincial Science and Technology Progress (四川省科學技術進步二等獎), the Second Prize of Science and Technology of China Railway Society (中國鐵道學會科學技術二等獎), and the First Prize in 2023 China Computer Federation Science and Technology Entrepreneurship Competition (2023中國計算機學會科技創業大賽一等獎). For further details, see “— Awards and Recognitions.”

## STRATEGIES

### **Continue to strengthen the R&D of AI industry models**

We plan to continue with our focus on interconnection and collaboration of AI industry models by engaging with more customer needs and demands as our models gradually develop to higher adaptability and better synergy amongst themselves. The development from one-dimensional to multi-dimensional models is a long-term accumulation process. We will continue to develop and gradually establish more multi-dimensional industry models to foster stronger flywheel effect and continue to integrate the latest AI technologies into the development of our industry models.

We intend to keep maintaining a significant proportion of R&D investment for enhancing the versatility and commercial viability of our technologies and solutions. We have always adhered to the path of independent research and development, closely keeping abreast with cutting-edge technological advancement, industry trends and customers’ evolving needs. We would continue to update and iterate our existing product and solution offerings while developing new ones with independent intellectual property rights and R&D results.

### **Continue to reinforce the unified focus of cross-industries and cross-scenarios capabilities for diversifying industrial applications**

We plan to realize horizontal expansion across industries and fields and efficiently expand our product portfolios through replication of our underlying technologies. We are continuously consolidating industry-specific knowledge and experience into modular models, achieving cross-utilization between industry models, including those for transportation, energy, and urban management. Such strategies will continue to help us speedily meet customers' needs and requirements with flexibility and scalability.

We are actively exploring new business opportunities and additional application scenarios in sub-business lines targeting city transportation, airport and chemical engineering. For instance, in respect of chemical engineering solution business, we are currently focused on refining, storage and transportation scenarios. Moving forward, we plan to gradually expand into other business scenarios (such as exploration and production, as well as end sales) through project collaborations. In the future, we aim to pursue concentric diversification into other application scenarios of public sectors by leveraging the cross-industry replicability of the NBK-INTARI AI Platform.

We also plan to further enhance such cross-scenarios capabilities to grow our established rail transit solution business so as to expand our market share and solidify our industry presence. The rail transit market is in need of AI technologies to promote and transform existing operation and maintenance methods for improved operational efficiency and energy performance. In view of this, we will continue to increase our technical investment in the field of infrastructure monitoring and detection for rail transit solution business. Utilizing our advantages in provision of catenary checking solutions, we will first and foremost continue to solidify our existing industry position in China's AI+ traction power supply inspection and detection system market in which we accounted for 5.9% of the market share in 2024. We will also continuously iterate our existing products and develop more diversified solutions to meet the growing market needs and expand more from rail network detection and maintenance to the maintenance of more infrastructure such as locomotives and vehicles with a view to expanding our market share of 1.8% in the larger market of China's AI+ rail transit inspection and monitoring solutions industry. Gradually, we aim to provide more integrated solutions for the digitalization and operation and maintenance of the overall rail transit system.

By actively expanding downstream application scenarios for AI technologies, we are continuously enhancing our innovative understanding of AI application scenarios. We are dedicated to exploring new models and paths for AI development to foster a dynamic development of an innovative and scenario-driven ecosystem. Such ecosystem is intended to be enriched to unlock potential business opportunities with customers and to drive our business growth and financial performance along the way.

### **Continue to deeply cultivate industry verticals with expanded strategic alliances**

An intimate knowledge and insightful grasp of industry and customer pain points is the anchor of our deep cultivation in specific segments and serves as the stepping-stone for continuous iteration of our technologies and industry models. We need the accumulation of necessary cross-specialty knowledge, data and experience within an industry to resolve issues and problems for our business development. We will continue expanding application scenarios within industries, accumulating comprehensive industry experience and knowledge, rather than being confined to existing business context.

We have established a substantial network of strategic business partners for R&D collaborations and/or commercialization of products and solutions which continue to enable us to rapidly capture market share and address customer demands. In the future, we plan to form alliances with more partners to expand business development channels. For potential future partners, we will focus primarily on the partners' strengths within their respective industries and specialties. Given diverse attributes of different industries, we would adopt varied partnership strategies, such as collaborating with industry leaders or expanding through distributor partnerships. Currently, we have already built a reserve of some key business partners such as service providers or institutions affiliated with, or undertaking AI related projects for, public sector customers.

### **Expand the team size and attract and cultivate AI talents**

Our business scale is continuously and rapidly growing. In the future, we plan to further expand our team size in line with our business needs, as well as ramping up necessary human resources for our development of any overseas sales.

We have a comprehensive talent recruitment, training, and incentive mechanism. Talent development is the foundation for our sustained and stable growth, and it is a key factor in maintaining core competitiveness for technology-driven enterprises. We have placed great emphasis on talent cultivation and management since our inception, designing a series of management measures to attract and retain employees. We have created an incentive mechanism that is conducive to attracting, training, utilizing, and retaining talent, laying a solid foundation for the continuous recruitment and motivation of core personnel.

## BUSINESS

### BUSINESS MODEL

During the Track Record Period, we generated revenue from providing our products and services in a number of end-customer industries, namely (i) transportation, (ii) energy, and (iii) urban management. The following table sets forth the breakdown of our total revenue by business line for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(Unaudited)</i>									
Transportation solution business . . . . .	100,980	40.0	110,965	30.5	209,381	52.0	70,694	38.1	70,999	30.7
Energy solution business . .	92,535	36.6	141,725	39.0	174,497	43.3	114,985	61.9	27,934	12.0
Urban management solution business . . . . .	59,105	23.4	111,009	30.5	18,762	4.7	47	0.0	132,638	57.3
<b>Total . . . . .</b>	<b>252,620</b>	<b>100.0</b>	<b>363,699</b>	<b>100.0</b>	<b>402,640</b>	<b>100.0</b>	<b>185,726</b>	<b>100.0</b>	<b>231,571</b>	<b>100.0</b>

### Transportation Solution Business

Our transportation solution business comprises of three sub-business lines: (i) rail transit solution business, (ii) city transportation solution business, and (iii) airport solution business.

All of our revenue from transportation solution business was generated from rail transit during the Track Record Period. As of the Latest Practicable Date, we were at various stages of trial run and other necessary preparation work for commercialization in respect of city transportation and airport AI applications, respectively.

#### *Rail Transit Solution Business*

Our rail transit solutions are committed to the digital transformation of the rail transit industry by focusing on monitoring, inspection and maintenance of rail transit systems adopting AI technologies, digital twins simulation and big data analysis, with key applications in (a) inspection of railway traction power supply systems, (b) monitoring of railway external environment, and (c) inspection of cargo train operation status.

We commenced our rail transit solution business in 2018 with the initial development of the underlying technology infrastructure and product development in respect of catenary checking and monitoring technologies and we commercialized such product development results by entering into sales contracts with railway bureau customers in 2019 for the provision of catenary checking systems. This made us one of the earliest AI+ solutions providers in China to achieve industrial application in the field of AI+ inspection and monitoring solutions for rail transit industry, according to CIC. We became an A-Level Supplier for the China Railway

Group since 2019 in respect of its railway materials procurement (including procurement of inspection and monitoring solutions). In 2020, our catenary checking system was accredited as a “Major Scientific and Technological Innovation Achievement in Railway” (鐵路重大科技創新成果) by National Railway Administration of the PRC. We were also an industry trailblazer and standard bearer in a number of aspects for our rail transit solution business. For instance, our catenary checking system is one of the first to be industrialized for the railway network in China and we are one of the first AI+ solutions providers in China to (a) apply beyond visual range technology together with AI technology in the railway operations assistance scenarios for the rail transit industry, (b) provide real-time and simultaneous image-taking, detection and analysis of the external railway environment in highly fast-moving status, and (c) deploy self-operating inspection robots to conduct automatic and intelligent catenary checking, according to CIC. We also participated in 2022 in the formulation and drafting of industry standards in the PRC for the “Operation Evaluation of Intelligent Catenary Checking System” (接觸網懸掛狀態缺陷智能識別系統運行評估) of which we were the party proposing the draft standards and two of our executive Directors, namely Mr. Liao and Mr. Tang Taike, were the key drafters.

As of June 30, 2025, we had provided catenary checking solutions to more than 80% of the number of railway bureaus (including more than 60% of the number of power supply subsections) in China as we at least covered one or more railway routes of each such railway bureau with a cumulative railway mileage of approximately 460,000 kilometers and detection of around 235,000 defects since such solutions were commercialized in 2019. Each railway bureau in China covers a vast number of railway routes and also there are a number of routes to be constructed as planned. Our rail transit solutions can help reduce manual labor costs and effectively improve identification efficiency with relatively higher detection accuracy. According to CIC, we were the second largest AI+ traction power supply inspection and detection system provider in China with a market share of around 5.9% based on our traction power supply related revenue in rail transit in 2024 and we ranked third in the rail transit industry in China for provision of AI+ inspection and monitoring solutions with a market share of around 1.8% based on our rail transit revenue in 2024. AI+ traction power supply inspection and detection solutions market and AI+ rail transit inspection and monitoring solutions market accounted for around 2.2% and 11.6%, respectively, of the market share in China of the AI+ rail transit solution industry in 2024 in terms of revenue.

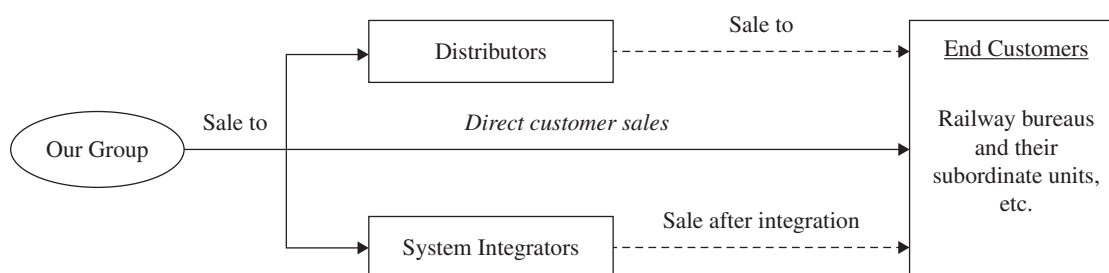
During the Track Record Period, our rail transit solutions were sold to (i) distributors, mainly being companies engaged in the provision of information technology products and services and having established business relationships with railway bureaus and other end customers, (ii) direct customers, mainly comprising end customers such as railway bureaus and their subordinate units, and (iii) system integrator serving end customers such as railway bureaus and their subordinate units. Our sales for rail transit solution business covered 27 provinces in China during the Track Record Period.

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## BUSINESS

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During the Track Record Period, our rail transit products and solutions were mainly sold to distributors before they were subsequently sold to end-customers such as railway bureaus and subordinate units. To a lesser extent, rail transit products and solutions were also sold to railway bureaus and subordinate units as direct customers. In very limited circumstances, such products would be sold to system integrators before they were integrated for subsequent sales to end customers. We generally would only directly participate in a tender and bidding process for rail transit solution business with respect to our sales to direct customers. For sales to distributors and system integrators, such tender and bidding process, if any, would generally be directly attended to by the relevant distributor or system integrator. The following diagram illustrates the value chain through which our rail transit products and solutions are sold to end customers (and our relationships with other stakeholders):



### *Industry Background*

The rail transit industry in China faces a number of pain points for operation and maintenance of railway systems, in particular for inspection and monitoring operations:

- China's vast geographical span makes it challenging to adapt rail operation and maintenance (including monitoring and inspection) to local conditions in different regions on a one-approach-fits-all basis. The complex and diverse environment of railway construction leads to unpredictable and uncontrollable natural disasters, which have become the main cause of rail operation safety accidents;
- Manual rail inspections primarily rely on visual acuity and auxiliary tools for progressive inspection, which is highly dependent on experience and subjective judgment, making omissions and errors unavoidable. Inspection personnel must work in complex environments such as viaducts and tunnels, alongside moving trains, while being exposed to multiple factors such as high temperatures, excessive noise, and high radiation, making them susceptible to safety hazards and risks;
- There is a significant amount of common basic data in the rail transit operation and maintenance field, including equipment usage, operation management, and emergency command, but the lack of coordinated planning leads to redundant configurations, data description differences, low data sharing, and poor connectivity between business systems.

Comprehensive AI solutions of digital twins simulation and big data analysis can be utilized for decision-making, pattern recognition, data collection techniques, analytical techniques and statistical forecasting. Such technological capabilities, when coupled with various dynamic and static devices like unmanned inspection vehicles, and fixed cameras, are able to achieve flexible control of the monitoring and inspection range and collection of video or image data in real-time for parsing and structured processing, thereby quickly and accurately capturing and monitoring the operational status of tracks and catenary checking for railway systems. The application of AI and related technologies in rail transit monitoring and inspection can further enhance inspection efficiency, accuracy, and ensure the safety of inspection personnel, promoting the continuous advancement of intelligent levels in the field of rail transit operation and maintenance.

Against the aforementioned industry backdrop, our Directors are of the view that our Group has ample prospects for expanding our rail transit solution business in the PRC for the following reasons: (i) our catenary checking solutions had as of June 30, 2025 covered railway routes in the PRC with a cumulative railway mileage of approximately 460,000 kilometers and an effective railway mileage of approximately 43,000 kilometers, respectively. The effective railway mileage refers to the lengths of cumulative railway mileage covered by our solutions calculated on a non-duplicated basis as our solutions may be repeatedly provided to a length of railway route. Such coverages according to CIC accounted for on an effective basis more than 25% of railway mileage in the PRC, which indicated much room for such products to cover in terms of railway mileage. Furthermore, such effective coverage ratio of 25% is only in relation to our main Rail Transit 4C Product which is most maturely developed, whereas our other rail transit products have lower coverage ratio and thus even more room for development in this regard, (ii) although we have in the past served more than 80% of the number of railway bureaus in China as of June 30, 2025, we still have much room for business opportunities with them in the future as each railway bureau covers a vast number of railway routes, including existing network of routes and many other routes under construction and to be constructed as planned. For instance, railway mileage in the PRC is planned to reach 180,000 kilometers and 200,000 kilometers by 2030 and 2035, respectively, according to CIC. While we may have served one or more routes under each railway bureau in the past, there are still a large number of other routes unattended by us as yet to forge new business opportunities. Moreover, for the railway routes already covered by us, they may still need our products on an incremental basis due to evolving needs to update railway systems from time to time, and (iii) according to CIC, the penetration rate of AI solutions in the rail transit inspection and monitoring solutions industry in the PRC is around 10.3% in 2024.

#### *AI Technologies and Industry Models*

We apply a number of self-developed core AI technologies in the provision of our rail transit solutions to address the industry pain points and the needs of our customers, namely: (i) defect detection technology for equipment in uncontrolled environment (非受控環境設備驗損技術), (ii) monitoring technology for uncontrolled natural environment (非受控自然環境監測技術), (iii) inspection technology for uncontrolled environment (非受控環境巡檢技術), (iv) massive virtual scene construction technology (海量虛擬場景構建技術), and (v) big data



analysis technology (大數據分析技術). In particular, we excel in adopting machine vision technology to carry out the inspection of equipment facilities under the uncontrolled image-generating conditions of natural environment (非受控的自然成像環境) characterized by vast, diverse and complex geographic coverage. For further discussion on our key AI technologies, see “— Core Technologies and IT Infrastructure — Our Core Technologies.”

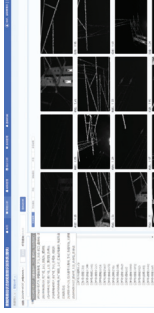

Our AI industry models for rail transit encompass a variety of major business scenarios and applications in the day-to-day operation and maintenance of rail transit systems, including power supply (供電), track maintenance (工務), electrical services (電務), locomotive maintenance (機務) and train operation (車務). For further details of our AI industry models, see “— Business Model — Our AI Industry Models.”


### *Products and Solutions*



Our rail transit products and solutions are utilized in a wide range of business and application scenarios for our customers, in particular, (a) inspection of railway traction power supply systems, (b) monitoring of railway external environment, and (c) inspection of cargo train operation status.


- **Inspection of railway traction power supply systems:** This application scenario covers aspects such as catenary checking, diagnosis of traction power supply equipment and beyond visual range inspection for train operation safety. One key product for our rail transit solution business is the catenary checking system (接觸網懸掛狀態缺陷識別系統) which belongs to the category of 4C System and is a key component of the traction power supply inspection and detection system, or 6C System, for railways in China. 4C System is used for the monitoring and inspection of the suspension status of catenaries, providing precise assessments of technical aspects and identifying defects. Our catenary checking solution is tailored to local conditions, and is capable of timely detecting defects from the image of the catenary checking status, significantly reducing the burden and cost of manual defect inspection and improving the efficiency and accuracy of identification, thereby effectively ensuring the safety of power supply.
- **Monitoring of railway external environment:** This application scenario is in relation to the real-time monitoring of the surrounding environment of railways, buildings and equipment, and the identification, early detection and automatic alarm of abnormal behaviours inside and around railway boundaries, buildings and equipment, which help prevent and reduce disaster losses, improve the safety of train operation, and alleviate the workload of monitoring personnel for railway management to be conducted in a more effective manner.
- **Inspection of cargo train operation status:** This application scenario is in relation to automatic identification and timely warning of the status of cargo train's equipment and loaded goods for any abnormal circumstances, improving inspection efficiency, and ensuring the safe operation of cargo trains.


The following table sets forth the summary of our major rail transit products and solutions:


No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenshots
1 - 1 .	Catenary checking system (接觸網懸掛狀態缺陷識別系統) (a “Rail Transit 4C Product”)	Software and hardware integrated solutions in the form of integrated servers (which can be sold together with precision inspection robot as discussed below)	Inspection of railway traction power supply systems: - Catenary checking for traction power supply systems of railways	Rail Transit — Power Supply	<p>It is capable of functions such as data import, detection, power line quality analysis, task progress management, defect life cycle management, defect standard management, etc. It is able to:</p> <ul style="list-style-type: none"> <li>- shorten the exposure cycle of unattended catenary defects</li> <li>- enhance the safety of traction power supply systems and train operation</li> <li>- improve the quality management level of catenary checking equipment</li> <li>- reduce the burden and cost of manual inspection</li> <li>- enhance identification efficiency and accuracy</li> </ul> <p>It is a relatively standardized product which can be easily adapted based on user-specific conditions, such as new types of inspection vehicles and newly emerging types of defects.</p>	 

No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenshots
1 - 2 .	Precision inspection robot (精密巡检机器人) (a "Rail Transit 4C Product")	Front-end device (which can be sold on a standalone basis, or together with the catenary checking integrated servers as discussed above)	Inspection of railway traction power supply systems: - Catenary checking for traction power supply systems of railways	Rail Transit — Power Supply	<p>A device that automatically moves on rails and captures full HD images for catenary checking. It is controlled by an industrial-grade mobile tablet connected to the host via wireless means, capable of efficient, and accurate catenary checking and inspection, effectively covering branch lines, station tracks, and other areas in respect of catenary checking that are not easily dispatched by catenary checking and inspection vehicles otherwise, enabling rapid and effective inspection and transmission of data, ensuring safety and efficiency. It has functions such as rapid inspection during maintenance windows and all-weather high-definition image-generating, etc.</p> <p>It is a relatively standardized product which can be easily adapted based on user-specific conditions, such as the pan-tilt angle for both horizontal and vertical rotation and its automatic travel speed.</p>	

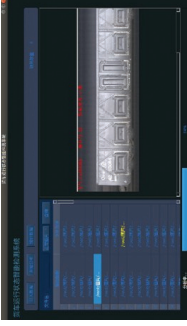
No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenscaps
2 - 1 .	Catenary safety inspection system (接觸網安全巡檢系統) (a “Rail Transit 2C Product”)	Software and hardware integrated solutions (which is usually sold in the form of an integrated server, a computing mobile tablet and a high-speed AI camera as discussed below)	Inspection of railway traction power supply systems – for analysis of the status of catenary components to ensure safety	Rail Transit — Power Supply	<p>It is a system designed for railway catenary safety inspections which has the following capabilities:</p> <p><b>High-Resolution Image-generating:</b> Together with the high-speed AI camera, can capture 4K images at a speed of at least 17 frames per second, suitable for high-speed and conventional rail lines. It is capable of real-time and simultaneous image-taking, detection and analysis of high-risk defects of catenaries in highly fast-moving status.</p> <p><b>Adaptable Models:</b> Available in standard and tunnel-specific versions, with the latter excelling in low-light conditions without additional lighting.</p> <p><b>Recognition:</b> Uses algorithms to automatically identify catenary poles and detect common defects.</p> <p><b>Data Management:</b> Creates data files and has basic identification capabilities for bird nests and typical defects for catenary checking scenarios.</p> <p><b>Analysis System:</b> Includes a system to assist in analyzing railway inspection videos, enhancing defect detection efficiency and quality.</p> <p>It is a relatively standardized product which can be easily adapted based on user-specific conditions, such as new types of data collecting devices.</p>	 


No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenscaps
2 - 2 .	High-speed AI camera (高速AI相機)	Front-end device (which is typically used for 2C purposes to be sold together with the integrated server of catenary safety inspection system)	Inspection of railway traction power supply systems - installed within the train's driver cabin capturing full-domain images for catenary checking	Rail Transit — Power Supply	<p>A high-definition image-generating device designed for highspeed conditions, integrating automatic gain control algorithms and image processing algorithms, capable of adapting to environmental changes for high-definition image-generating. This device can be applied to high-speed moving carriers for high-definition imaging of surrounding targets.</p> <p><b>Adaptability to High-Speed Moving Vehicles:</b> Our technology provides continuous high-definition imaging for high-speed rail and other fast-moving vehicles and carriers. It is capable of real-time and simultaneous image-taking, detection and analysis of high-risk defects of catenaries in highly fast-moving status.</p> <p><b>Rapid Environmental Adaptability:</b> Our product is highly adaptable to swift environmental changes, maintaining clear imaging during transitions such as high-speed trains entering and exiting tunnels.</p> <p><b>Advanced Image Processing:</b> Integrated with advanced algorithms and AI and efficiently processes images in real-time, enhancing quality and performance.</p> <p><b>Seamless Integration:</b> Designed for easy integration with a variety of terminal devices and back-end systems, our technology offers flexibility and versatility in product development.</p>	



No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenscaps
3 - 1. .	Monitoring system for railway environment (鐵路環境監測系統)	Software and hardware integrated solutions (mainly in the form of integrated servers which can be sold together with edge analysis equipment as discussed below)	Monitoring of railway external environment	Rail Transit — Track Maintenance	<p>It is a relatively standardized product of which device parameters can be automatically adjusted according to different scenarios adapting to customers needs in different railway subsections.</p>	
					<p>A comprehensive, multi-functional monitoring system that utilizes artificial intelligence video analysis technology to upgrade existing railway monitoring systems. It enables identification, early detection, and automatic alarming of abnormal activities within or around railway boundaries, structures, and equipment, thereby preventing and reducing disaster losses, enhancing the safety of train operations, and alleviating the workload of monitoring personnel, making railway management more effective.</p>	
					<p>It is capable of functions such as intrusion monitoring, personnel location safety monitoring, fire and smoke monitoring, personnel protective equipment monitoring, monitoring of natural disasters, etc.</p> <p>It is a relatively standardized product which can be easily adapted work with existing camera models used by the customer.</p>	


No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenshots
3 - 2 .	Edge analysis equipment (邊緣分析設備)	Front-end device (which can be sold together with the monitoring system for railway environment as discussed above)	<p>Monitoring of railway external environment:</p> <ul style="list-style-type: none"> <li>- Real-time analysis of video monitoring for foreign object intrusion along the railway line</li> </ul> <p>Other than for our rail transit solution business, this product can also be used for application scenarios such as:</p> <ul style="list-style-type: none"> <li>- Real-time analysis of flood monitoring points for large bridges; and</li> <li>- Real-time analysis of environmental monitoring on the towers of power transmission lines</li> </ul>	N/A	<p>An all-in-one terminal device which integrates data collection, processing, and wireless transmission functions, has strong single-machine computing power, and also has routing capabilities, making it easy for users to connect flexibly. The device has an ultra-wide working temperature range and can adapt to various outdoor scenarios, fully meeting market demands.</p> <p>With a wide temperature adaptation range, it is waterproof, dustproof, and designed for low power consumption scenarios that meet outdoor solar power supply requirements.</p>	




No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenshots
4. . . .	Inspection system of cargo train operation status (貨車運行狀態檢測系統)	Software and hardware integrated solutions in the form of integrated servers	Inspection of cargo train operation status	Rail Transit — Train Operation	<p>Based on a new generation of high-definition monitoring systems, it automatically recognizes and provides timely early warnings for the status of cargo. It enhances inspection efficiency and ensures the safe operation of freight trains.</p> <p>It can be used for abnormal analysis of freight car doors and tarpaulins, safety inspection of tank car lids, abnormal recognition of container box, defect detection of fixtures such as bolts and valve covers.</p> <p>It has functions such as foreign object detection for vehicle safety, cabin safety inspection, cabin damage detection, cargo safety regulation inspection, cabin door safety inspection, etc.</p>	

No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenshots
5. . . .	Diagnosis system of power supply equipment (供电設備診斷裝置)	Software and hardware integrated solutions (mainly sold in the form of integrated servers together with a mobile computing tablet)	Inspection of railway traction power supply systems: - detection of railway power supply equipment	Rail Transit — Power Supply	<p>A railway digital twins system that integrates portability, real-time performance, intuitiveness, and intelligence to meet the urgent needs of field diagnosis of power supply equipment.</p> <p>The system design takes full account of the complexity and challenges of field operations; it is compact and lightweight, facilitating transportation to various remote or hard-to-reach locations, bringing great convenience to on-site work. It has established a stable and efficient data connection with the remote system diagnostic server, achieving real-time synchronization of field diagnostic data. To enhance the intuitiveness and accuracy of the diagnosis, the system has built-in simulation 3D viewing capabilities. Users can directly use this feature on-site to view the internal structure and working conditions of the power supply equipment in a three-dimensional manner, thereby gaining a more comprehensive understanding of the equipment operation and providing a more precise basis for diagnosis. The system is also equipped with a convenient data entry and management module, supporting the rapid input and organization of various data formats.</p>	

No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenshots
6. . . .	Beyond Visual Range Train Operation Safety Assistance Equipment (超視距識別列車安全輔助設備)	Front-end device (usually sold together with a display tablet)	Inspection of railway traction power supply systems	Rail Transit — Power Supply; Track Maintenance; Electrical Services	<p>Adopting rail transit safety technology designed to enhance train operation safety through three core functionalities:</p> <ol style="list-style-type: none"> <li>(1) Switch monitoring: real-time direction confirmation of switches and immediate alerts for path conflicts.</li> <li>(2) Signal light recognition: precise interpretation of signal lights to guide train operations.</li> <li>(3) Dynamic track and obstacle detection: real-time tracking of railway lines and automatic detection of obstacles with early warnings.</li> </ol> <p>Such product is deployed in the train cabin, including switch status and obstacle detection, providing assistance for train operation safety, early warnings for drivers, and signal light detection. It aims to prevent accidents, enhance safety, and support drivers with advanced warning systems, contributing to the efficiency and reliability of rail transportation.</p>	 

No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenshots
7. . . .	Safety operation control system (安全作業控制系統)	Software and hardware integrated solutions (mainly in the form of integrated servers)	<p>Safety operation control for on-site operation and maintenance activities in the railway industry:</p> <ul style="list-style-type: none"> <li>Full-process closed-loop operation management and safety protection for on-site inspection, maintenance and repair activities</li> <li>Assists with pre-operation planning of tasks, schemes, and procedures</li> <li>Monitors non-compliant behaviors in real time and triggers alerts during operation</li> <li>Supports post-operation replay and risk analysis to identify potential hazards</li> </ul>	<p>Rail Transit — Track Maintenance; Rail Transit — Power Supply</p>	<p>It is a system designed for the safety process control of on-site operation and maintenance work, which has the following capabilities:</p> <p><b>Pre-Operation Planning:</b> Assists in planning work schemes and procedures before operations commence.</p> <p><b>Real-Time Monitoring and Alerting:</b> Monitors abnormal and non-compliant events during operations and issues alarms in real time.</p> <p><b>Post-Operation Replay and Data Analysis:</b> Enables playback of operational processes and conducts hazard analysis after operations.</p>	

No.	Product Name	Product Type	Application Scenario	Industry Model Utilized	Key Function and Features	Product Photo/System Interface Screenshots
8. . . .	Equipment status assessment system	Software and hardware integrated solutions (mainly in the form of integrated servers)	<p>Analysis of railway rail profile images and defect identification:</p> <ul style="list-style-type: none"> <li>– Real-time analysis of rail profile images to automatically identify common defects such as cracks, deformation, jamming, and wear</li> <li>– Enables rapid and accurate detection of potential rail hazards without manual inspection</li> <li>– Provides early warnings for maintenance teams, supporting timely repairs and ensuring safe and stable railway operations</li> </ul>	Rail Transit — Track Maintenance	It is a system designed to provide analysis of rail profile image data, capable of identifying defects such as cracks, deformation, jamming, and wear.	

## BUSINESS

Our rail transit products and solutions, in particular our Rail Transit 4C Products and Rail Transit 2C Products, generally have a product life cycle of around five years subject to regular maintenance and upgrades.

The following table sets forth the breakdowns of the sales volume and average selling price of our rail transit solution business during the Track Record Period:

	Year ended December 31,									Six months ended June 30,					
	2022			2023			2024			2025					
	Sales Volume	Revenue	Average Selling Price per Unit <sup>(1)</sup>	Sales Volume	Revenue	Average Selling Price per Unit <sup>(1)</sup>	Sales Volume	Revenue	Average Selling Price per Unit <sup>(1)</sup>	Sales Volume	Revenue	Average Selling Price per Unit <sup>(1)</sup>			
			(Unit)			(RMB'000)			(RMB'000 per unit)			(Unit)	(RMB'000)	(RMB'000 per unit)	(Unit)
Rail Transit 4C															
Products															
– Catenary checking system <sup>(2)</sup> . . . . .															
31	79,883	2,577	40	105,427	2,636	44	111,579	2,536	17	45,459	2,674				
– Precision inspection robot <sup>(3)</sup> . . . . .															
12	5,475	456	9	4,113	457	1	378	378	14	6,310	451				
Rail Transit 2C															
Products															
–	–	–	–	–	–	17	12,062	710	8	5,664	708				
Other rail transit products															
– Equipment status assessment systems <sup>(4)</sup> . . . . .															
–	–	–	–	–	–	30	51,920	1,731	–	–	–				
– Safety operation control systems <sup>(5)</sup> . . . . .															
–	–	–	–	–	–	14	27,133	1,938	–	–	–				
– Others . . . . .	64	15,581	243	8	1,425	178	127	5,592	44	121	11,475	95			
Technology services . . . . .	–	41	–	–	–	–	–	717	–	–	2,091	–			
Total . . . . .		100,980			110,965			209,381			70,999				

**Notes:**

- (1) Average selling price per unit equals to the revenue divided by the relevant sales volume.
- (2) For further information, see product No. 1 – 1 as discussed in “Business – Business Model – Transportation Solution Business – Rail Transit Solution Business – Products and Solutions.”
- (3) The sales volume and average selling price of precision inspection robot products experienced a decrease in 2024 as compared to 2022 and 2023 for the Track Record Period. This was mainly because in 2024 we were more focused on the development for the upgrade of such product due to changes in customer demand and requirements for a newer product iteration. For further information, see product No. 1 – 2 as discussed in “Business – Business Model – Transportation Solution Business – Rail Transit Solution Business – Products and Solutions.”

- (4) For further information of equipment status assessment systems, see product No. 8 as discussed in “– Business Model – Transportation Solution Business – Rail Transit Solution Business – Products and Solutions.”
- (5) For further information of safety operation control systems, see product No. 7 “– Business Model – Transportation Solution Business – Rail Transit Solution Business – Products and Solutions.”

### *City Transportation Solution Business*

We have gradually expanded our transportation solution business from the field of railways to city transportation. In 2024, we started the cooperation with a city industrial platform for the development, commercialization and promotion of a comprehensive solution targeted to facilitate daily administration of city transportation by staff members of city traffic and transportation bureaus.

The solution is expected to be used by staff members within the relevant city transportation administration’s internal local area network that provides precise and efficient search, analysis, and decision support services for management levels and departments of transportation administrations. The solution is being developed for the data analysis and decision making and support covering city transportation scenarios including ride-hailing, taxi cruising, and public transportation by bus. All of the AI industry models centered on these application scenarios are expected to be integrated into the solution for the upgrade of governance capabilities and empowerment of city traffic management on a multi-dimensional and inter-connected basis.

The solution is being developed to possess the following major capabilities:

- **Data Retrieval and Analysis:** The solution performs horizontal and vertical comparative analysis based on data situations and provides analytical recommendations. It is intended to assist city transportation administration staff with core data queries and analysis for their internal use. For instance, it can provide analysis on the routes taken by a taxi for a specific client order, monitor the trends of average daily income of taxis, or rank the bus passenger volume by bus stops.
- **Emergency Event Response:** Based on working documents and emergency case documents, the solution can quickly enable construction of emergency scenario solutions according to the specific scenarios as described by the city transportation administration staff and indicators after a special emergency event, enhancing the efficiency of emergency handling and response.
- **Compliance Determination:** The solution can quickly construct specific transportation scenarios, providing compliance judgment and reference in accordance with legal standards. For instance, it can conduct systematic counts and related analysis on the number of compliant ride-hailing orders or vehicles.



- **Transportation Encyclopaedia:** As the solution integrates professional data in the vertical field of transportation, it serves as an encyclopaedia providing city transportation administration staff with access to both qualitative and quantitative information on the macro development of transportation sector in a specific geographic region.

We started onsite work for this project in 2024. As of the Latest Practicable Date, the project was at the stage of onsite trial run in preparation for commercialization.

### *Airport Solution Business*

We embarked on the airport solution business in 2023 with the development of docking products which are machine vision products suitable for assisting airplanes in precise docking at close parking positions. The airport docking products require the installation of a large display screen directly in the front of and above the apron parking guidance line. By using machine vision for precise distance measurement, it displays the real-time distance between the airplane and the stop line, thereby assisting in precise docking.

Guidance for airplane docking in the PRC currently faces pain-points including: (i) lower scalability and accuracy of domestic products, and (ii) dominance of laser-guided foreign products that are costly, which pose risks of data security and create data silos with potential waste of data resources. In this connection, our airport docking products are intended to be developed as a more cost-efficient, scalable and compatible substitution for foreign products. Specifically, they are developed based on the latest multimodal AI technology combining OCR, or Optical Character Recognition, and target feature detection functions to accurately identify aircraft models and subtypes. With an ultra-high temperature design, they can function normally at temperatures of up to 70°C. Equipped with big data analysis services, our airport docking products can effectively determine the time consumption of various airlines, identifying anomalies in docking operations, and providing decision support. According to CIC, we are one of the first AI+ solutions providers in China to apply fully self-controlled and domestic AI technologies in smart airplane docking products and solutions. As of the Latest Practicable Date, we were in the process of trial run and necessary product access certification of our airport docking products in preparation for commercialization for sales targeting customers such as airport operators.

In addition to airport docking products, we are also developing A-CDM, or airport collaborative decision-making, products in the form of an airport apron safety integrated management system (數智機坪安全綜合管理系統). The system offers fully automated parking space guidance with visual indicators, node data collection for airport collaborative decision making, detection of foreign object debris, as well as around-the-clock safety identification on the apron. A data middle platform is provided for apron safety analysis and presentation. The system also features high openness and scalability, meeting customized needs for safety identification at airports and aiming to address pain points in apron management for various types of civil airports, achieving safety upgrades and helping airports improve quality and efficiency.

### **Energy Solution Business**

Our energy solution business comprises of two sub-business lines: (i) electricity solution business primarily serving the power generation, transmission and distribution sectors, and (ii) chemical engineering solution business primarily serving the oil refinery, storage and transportation sectors.

During the Track Record Period, all of our revenue from energy solution business was generated from the electricity solution business. As of the Latest Practicable Date, we had initiated the commercialization process in respect of our chemical engineering solution business.

### ***Electricity Solution Business***

Our electricity solutions are committed to the digital transformation of the power industry by focusing on monitoring, inspection and maintenance of power generation, transmission and distribution systems adopting our major AI technologies largely similar to those for our rail transit solution business, with key applications in (a) IT operation and maintenance for integrated grid construction, and (b) power grid inspection, especially for defect detection of power transmission and distribution lines.

We commenced our electricity solution business in 2022 by providing solutions to a system integrator for the IT operation and maintenance of integrated grid construction projects deployed by a power grid company in China. In this connection, we mainly adopted our cumulated AI technologies transferred and iterated from the rail transit solution business especially under the power supply industry model. In 2022, we also started to provide direct customers with inspection solutions for power transmission and distribution lines. As of June 30, 2025, we had provided solutions to integrated grid construction projects for the IT operation and maintenance of over 100 distributed energy storage Data Centers, including thousands of servers, software and hardware systems, and network devices deployed in such Data Centers. As of June 30, 2025, our solutions had also assisted our customers with power grid inspection of more than 30,000 kilometers of power transmission and distribution lines.

During the Track Record Period, our electricity solutions were primarily sold to (i) system integrators serving power grid companies, and (ii) direct customers such as inspection and analysis service providers of power grid companies.

### *AI Technologies Transferred from Rail Transit Solution Business*

Most of the existing AI technologies used for our rail transit solutions can be transferred and adapted to our electricity solution business, especially when it comes to the specialty area of power supply. The industry models for our electricity solution business can be categorized by business scenario into models for power generation, power distribution and transformation, power transmission, as well as power consumption. These industry models when applied to our solutions under different applications enable comprehensive power monitoring and inspection, operation and maintenance solutions, thereby empowering the development of data-driven power operation and maintenance management with improved efficiency. For more details of our AI industry models, see “— Business Model — Our AI Industry Models.”

With years of industry expertise cumulated from serving the rail transit industry, we have gradually developed and refined the following key capabilities which have helped us smoothly extend our business reach from rail transit to electricity with the development of our key electricity product of IT operation and maintenance for integrated grid construction (the “**integrated grid products**”):

- A. **Underlying technology foundation:** Our NBK-INTARI AI Platform has been iterated through the years to possess the below three key capabilities targeting different types of data:
  - (a) the capability to support closed-loop AI algorithm workflow consisting of “data collection — data training — data deployment — continuous optimization”,
  - (b) the capability to enable full-process operations of big data in respect of “storage — management — preprocessing — processing — analysis — continuous services”, and
  - (c) the capability to enable multi-data algorithm processing.

We have achieved sufficient maturity with respect to these capabilities from cultivating our expertise in the rail transit sector, especially from serving the power department of our railway bureau customers.

- B. **AI industry models:** Through the development of the power supply AI industry model for our rail transit solution business, we have also cumulated seasoned knowledge in serving power related operations which can be seamlessly applied to our integrated grid products. For instance, the closed-loop business data workflow of “status monitoring — anomaly alerting — trouble shooting” refined from our rail transit solution business can be equally adopted for our integrated grid products.

### *Products and Solutions*

Our electricity products and solutions mainly cover application scenarios of (i) IT operation and maintenance for integrated grid construction, and (ii) power grid inspection:

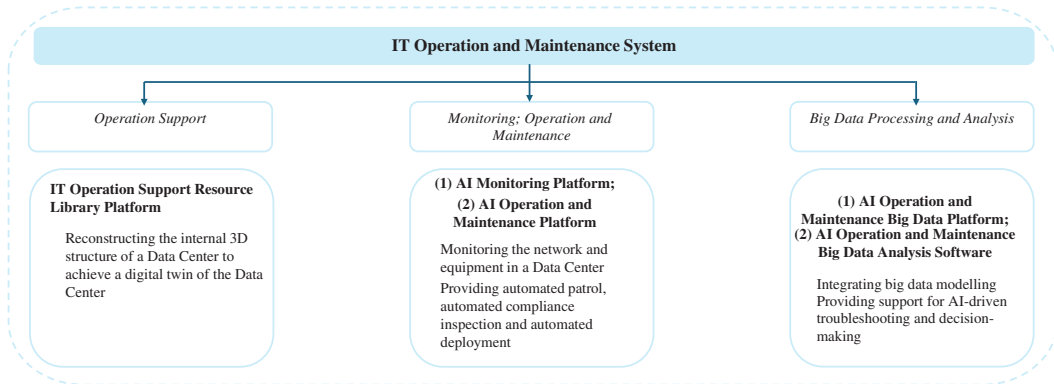
- **IT Operation and Maintenance for Integrated Grid Construction** (電網融合建設IT運維):

In order to accelerate the construction of digital infrastructure in the energy sector and to cultivate new business forms and stimulate new drivers, power grid companies in China have embarked on the integrated construction of multiple stations such as substations, data service devices, and power adjustment devices (energy storage stations) in the spirit of “unified planning, unified design, and unified construction.” In this connection, we provide solutions to customers for the asset management, continuous operation and maintenance and data analysis of facilities and equipment in massive Data Centers in connection with the integrated construction of multiple power grid substations and distribution stations.

In the context of IT operation and maintenance for integrated grid construction, we mainly provide AI-based software products which is embodied by the IT Operation and Maintenance System (IT運維系統), equipped with the following key functions:

- (i) **Operation Support:** this function is achieved by the IT Operation Support Resource Library Platform (IT運行支撐資源庫平台), which is mainly used for 3D reconstruction and digital twinning of Data Centers (數字機房),
- (ii) **Monitoring; Operation and Maintenance:** the monitoring, operation and maintenance functions of Data Centers are realized through (a) an AI Monitoring Platform (AI監控平台), and (b) an AI Operation and Maintenance Platform (AI運維平台), respectively, and
- (iii) **Big Data Processing and Analysis:** these functions for Data Centers are made available via (a) an AI Operation and Maintenance Big Data Platform (AI運維大數據平台) and (b) an AI Operation and Maintenance Big Data Analysis Software (AI運維大數據分析軟件), respectively.

The following diagram illustrates the architecture of the IT Operation and Maintenance System for power grid integrated construction:



- o **Operation Support:** The IT Operation Support Resource Library Platform integrates basic resource materials for data visualization and digital twinning and enables the creation of a digital twin of a Data Center through the reconstruction of 3D structure of its interior, the modelling of the 3D visualization of the equipment within, as well as the reconstruction of the 3D relationships amongst the internal equipment. The following screencap illustrates the main interface of the IT Operation Support Resource Library Platform:



- o **Monitoring; Operation and Maintenance:** The AI Monitoring Platform and the AI Operation and Maintenance Platform work together for the monitoring on a real-time basis of network, host, hardware, database, storage, middleware, and virtualization in the Data Center, as well as for automated patrol, compliance inspection, deployment of functional modules and real-time analysis of video surveillance for the Data Center to prevent theft, vandalism or other abnormalities.

The AI Operation and Maintenance Platform is the core component of the overall IT Operation and Maintenance System. By leveraging key data provided by other components of the overall system, it is able to configure corresponding rules to adjust and address pre-set issues in respect of automated operation and maintenance, automated compliance and automated inspection for the Data Center. It will also trigger an immediate alarm for manual intervention if encountering special issues that are out of the parameters of pre-set rules. The following screenshot illustrates the main interface of the AI Operation and Maintenance Platform:



The AI Monitoring Platform is interconnected with the operational monitoring devices in the Data Center. By integrating the monitoring conditions and data, it consolidates the overall data status and monitoring indicators of the Data Center and provides such information to other components of the overall system for operation and maintenance, comprehensive analysis of big data and timely handling of potential risks. The following screenshot illustrates the main interface of the AI Monitoring Platform:



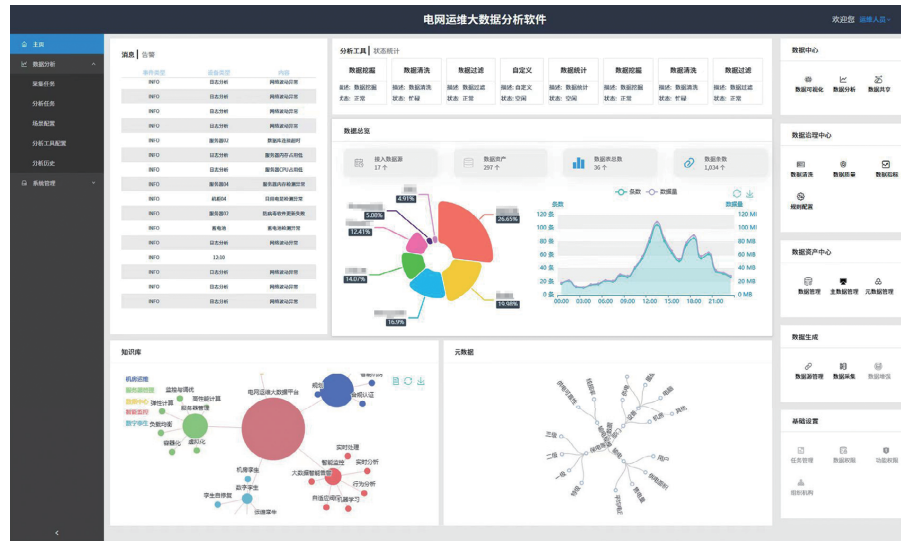
- o **Big Data Processing and Analysis:** The AI Operation and Maintenance Big Data Platform is mainly used for the aggregation of basic operation and maintenance data of the Data Center, which provides support for IT operation and maintenance, as well as big data analysis and data dashboard display. It can integrate historical big data such as dispatch procedures, safety procedures, accident analysis reports, and system historical logs to form a knowledge graph, providing support for AI-driven troubleshooting and decision-making. The following screencap illustrates the main interface of the AI Operation and Maintenance Big Data Platform:



This AI Operation and Maintenance Big Data Analysis Software is a data analysis tool that obtains content from other components of the overall system, such as the AI Operation and Maintenance Big Data Platform, and conducts comprehensive big data analysis for the Data Center. By setting up corresponding analysis logic through the scenario configuration function, the software will analyse relevant issues according to the established rules. It can analyze the causes and probabilities of faults based on historical fault situations and automatically generate fault handling plans. When a fault actually occurs, it can provide processing assistance plans, prompting staff



with processing procedures and methods, as well as preparations that should be made in advance. The following screencap illustrates the main interface of the AI Operation and Maintenance Big Data Analysis Software:



Compared to the AI Operation and Maintenance Big Data Platform which focuses more on the aggregation, integration and storage of data, the AI Operation and Maintenance Big Data Analysis Software specializes more on the data analysis function.

- **Power Grid Inspection (电网检测):**

The power grid inspection solutions are mainly used for defect detection of power grid transmission and distribution lines in China. Based on image data from front-end inspections and relevant sensor data, it identifies defects, foreign objects, surrounding environmental anomalies, and potential risks on grid lines in a location-specific manner. With a defect detection rate of around 90%, such solutions are able to efficiently achieve scientific analysis and unified management of various line and network data, while establishing unified standards for defect categories and levels and integrated and panoramic monitoring of substations and power transmission lines. In addition, inspections further reduce dependence on manual labor, greatly ensuring the safety of workers, effectively reducing the labor cost of manual inspection and economic losses caused by power outages due to objective reasons. Such solutions have the advantages of relatively comprehensive coverage of defects and higher detection accuracy as compared to conventional manual inspection methods.

The solutions are mainly provided in the form of the power transmission and distribution line inspection system, which is responsible for recording and managing the basic file information of the lines under its supervision; it comprehensively analyzes line defects under different conditions and provides a comprehensive quality evaluation of the



overall line defects. Key features and functions of such solutions include line management, defect standards management, tower management, fixture defect inspection, line quality analysis, sign marking inspection, identification task management, defect lifecycle management, and tower environmental monitoring.

We mainly provide integrated software and hardware solutions for power grid inspection, which mainly take the form of (i) back-end integrated servers embedded with AI-based software, (ii) front-end devices mainly including edge analysis devices and sensor collection equipment that are responsible for the collection and preprocessing of front-end data, control of equipment, and detection of equipment status parameters, or a combination of (i) and (ii).

The following table sets forth a comparison of the two key products for electricity solution business in further details:

	<u>Integrated grid products</u>	<u>Power grid inspection solutions</u>
Product type . . . . .	Software products	Software and hardware integrated solutions
Product nature & function . . . . .	Using digital twin and big data analytics to enable 3D modeling and real-time monitoring of Data Centers for integrated grid construction to ensure system stability and smooth operations	Employing AI algorithms to identify faults and defects (e.g., broken conductor strands, damaged insulators, etc) of power transmission and distribution (T&D) lines to enhance inspection and detection efficiency and accuracy and subsequently control T&D lines safety risks
Application scenario . . . . .	Focuses on “in-station” IT system operation and maintenance	Focuses on “out-of-station” and cross-regional T&D line inspection
Targeted customers . . . . .	IT system management teams with power grid companies responsible for IT operation and maintenance of Data Centers (or their system integrators)	Grid inspection service providers or power transmission and distribution line inspection and maintenance teams of power grid companies

As set forth above, these two products on one hand are different in terms of product nature, application scenarios and targeted customers, etc. On the other hand, they are also complimentary with one another as they both belong to the power transmission and distribution sub-sector and they cover the “in-station” and “out-of-station” scenarios, respectively, which enables a more holistic grid monitoring for T&D lines infrastructures.

### *Chemical Engineering Solution Business*

Our chemical engineering solutions are being developed to cover four types of AI industry models for: (i) exploration and production, (ii) refining, (iii) storage and transportation, and (iv) end sales. As of the Latest Practicable Date, we had initiated on commercialization in the areas of (a) refining, as highlighted by our development of a robotic inspection system of a refining substation for a large-scale petrochemical enterprise in China, and (b) storage and transportation, by providing chemical engineering solutions for the safety management of oil depots.

#### *Refining Substation Inspection System (煉化變電所巡檢系統)*

In the area of refining process for chemical engineering, we are developing, for a large-scale petrochemical enterprise in China, a robotic inspection system for a refining substation. The system includes two main function modules: (i) the substation robotic inspection system, and (ii) the operational assistance system. The substation robotic inspection system replaces manual labor with autonomous mobile robots for routine inspections and maintenance of substation equipment, reducing the risks and physical demands associated with manual operations. The system primarily consists of inspection robots, data collection and transmission modules, and a back-end management system. The operational assistance system is integrated with the internal equipment operation system and the work order system, capable of recording electronic work order content, reading electronic work order information, and displaying operation schemes based on the work order. As of the Latest Practicable Date, we had submitted the product development proposal of the inspection system to this petrochemical enterprise which was subsequently approved for entering into the contract signing stage.

#### *Safety Management System of Oil Depots (油庫安全管理系統)*

We provide chemical engineering solutions for the safety management of oil depots in respect of special operation management, personnel location monitoring and dual prevention of accidents from occurrence and escalation. It is embedded with a major hazard source management module which can detect and address potential dangers through real-time monitoring and early warning for prevention of accidents. The implementation of a dual prevention mechanism not only strengthens pre-emptive measures for the identification, evaluation and control of risks but also focuses on investigation and treatment of hidden dangers and post-incident analysis and improvement, forming a closed-loop management system that effectively reduces safety risks and prevents occurrences and acceleration of accidents. It also has a safety basic information management module which establishes a complete basic information database for the oil depot, facilitating daily management and

decision support. The special operation covered by such solutions includes (i) hot work operation involving open flames, high heat or electrical sparks within the explosive danger zones of oil storage facilities, (ii) high-altitude operation which calls for special safety precautions and equipment to prevent falls and ensure worker safety, (iii) electrical operation involving work on high-voltage systems, low-voltage installations and electrical maintenance within the oil depot premises, (iv) confined space operation involving entry into tanks, pipelines or other enclosed spaces for inspection, cleaning or maintenance work, and (v) handling of any hazardous chemicals during operation work. As of the Latest Practicable Date, we had entered the delivery stage for the sale of oil depot safety management system to an oil depot operator in Sichuan Province with customer acceptance completed for a portion of the products delivered.

### **Urban Management Solution Business**

We are dedicated to providing digitalized and visualized AI-empowered solutions in the context of urban management for a comprehensive and diverse range of application scenarios. Such solutions are intended to achieve the inspection and management of equipment and urban environment. We provide urban management solutions covering a wide suites of application scenarios which mainly include: (i) park management, (ii) campus management, (iii) emergency management and (iv) community management. We commenced urban management solution business in 2021 by providing solutions to a system integrator for emergency management. During the Track Record Period, our urban management products and solutions were primarily sold to: (i) system integrators being companies engaged in the integration of information technology products and services to end customers of urban management projects, and (ii) direct customers such as urban management service providers. The end-customers for our urban management solution business generally include public sector end-customers that are state-owned and/or are engaged in public services, such as government agencies (including education bureau and public health bureau), television and broadcasting service providers, public medical and education institutions, industrial park management committees, etc.

### ***Products and Solutions***

We mainly provide integrated software and hardware solutions for urban management solution business, which mainly take the form of (i) back-end integrated servers embedded with AI-based software, (ii) front-end devices mainly including cameras, edge analysis devices, sensor collection equipment that are responsible for the collection and preprocessing of front-end data, control of equipment, and detection of equipment status parameters, or a combination of (i) and (ii).

The key types of products we provide for urban management include: (a) NBK Industry Application Platform (NBK行業應用平台) which is a general-purpose tool platform, and (b) domain-specific products such as community inspection system (社區巡檢系統).

### *NBK Industry Application Platform*

The NBK Industry Application Platform is a major product utilized in various application scenarios especially for our urban management solution business, covering scenarios including park management, campus management, emergency management, and community management. It serves as a general-purpose tool platform addressing common needs and representative scenarios in the area of urban management for us to speedily cater to the basic and universal needs of urban management customers. We will formulate and offer domain-specific products and solutions based on customers' more customized requirements as needed.

The NBK Industry Application Platform is consisted of four functionality systems:

- **IoT Monitoring Subsystem:** It enables extensive connection and management of various IoT devices, such as sensors, cameras, radio frequency identification tags, etc., to achieve comprehensive digital monitoring of scenarios constructed by IoT devices. Through real-time data collection and processing, it lays a solid foundation for visualization and analysis of, and decision making based on, IoT data. IoT monitoring subsystem is utilized in the application scenarios of park management (such as innovation and technology parks and business or industrial parks) and campus management.

More specifically, it can be used for the monitoring and management of various equipment and facilities within a building or a compound area, such as water and electricity supply, air conditioning, elevators, etc. In the event of equipment failure or abnormality, the subsystem will promptly issue alerts, notify and direct the maintenance to the equipment location and provide diagnostic and maintenance recommendations. In addition, it can also be used for environmental monitoring of air quality, noise, temperature and humidity through the sensors installed. When air quality exceeds certain level, the subsystem will automatically activate air purification devices or notify relevant staff to investigate and address pollution sources. Other uses of the subsystem include the collection and analysis of consumption data through smart meters and water meters for formulation of energy consumption management, energy conservation and emission reduction plans. Furthermore, the subsystem can also be utilized with respect to fire detectors, smoke alarms and fire hydrants for the monitor of fire safety status, immediate issue of fire alerts and automatic activation of fire-fighting equipment for extinguishing and evacuation in the event of a fire.

- **Digital Twins Subsystem (including BIM):** It constructs a digital mirror of actual business scenarios, building a 3D model component library and digital twins for various industry application scenarios. BIM, or building information modeling, is used to achieve information management throughout the entire lifecycle of customers' operational process as it is a process involving the creation and management of digital representations of buildings and their components,

supporting their lifecycle from design and construction to operation and maintenance. Through simulation, prediction, and optimization, it enhances operational efficiency and asset management levels.

- **Big Data Processing Subsystem:** It is responsible for processing large volume of multi-source and multi-dimensional data. Through data cleaning, storage, analysis, and data mining techniques, it extracts valuable information and insights. Big data processing function is utilized in application scenarios such as park management for data collection, aggregation, visualization and data quality management. It can also be used in emergency management for centralized consolidation, storage and management of emergency-related data, including historical disaster data, emergency drill data and emergency response data. Analysis of such data provides support for emergency decision-making, such as predicting the probability of disaster occurrences and evaluating the effectiveness of emergency responses.
- **Scenario Monitoring Subsystem:** It combines machine vision and deep learning technologies to achieve real-time monitoring and identification of multiple scenarios such as natural disasters, staff behaviour, and public behaviour. By working in conjunction with the IoT monitoring subsystem or other third-party IoT devices, it directly empowers monitoring scenarios. Scenario monitoring function is utilized in application scenarios such as park management, campus management and emergency management for monitoring of environmental incidents (such as fires, smoke, floods, landslide, etc), as well as for monitoring of abnormal behaviour (such as individuals falling, unusual gathering, fighting, trespassing over walls or intrusion into restricted areas, etc).

### *Community Inspection System*

The Community Inspection System is an AI-empowered comprehensive solution that enhances the efficiency of community patrols and safety precautions. The core function part of the system is the AI-Based Edge Algorithm Box, equipped with over 30 mature algorithms that significantly reduce the need for manual patrols and increase the detection rate of hazards. The AI-Based Edge Algorithm Box can process and analyse data collected from various devices in the community, such as cameras and gas detectors. It is capable of processing data in real-time at the edge (i.e., in close proximity to where the data is generated) and directly interfacing with the external environment it monitors. Instead of sending raw data to a distant centralized server for processing, it is capable of analyzing data locally with real-time decision making for detecting anomalies and triggering alerts which in turn reduces reliance on central servers and enhances timely response to abnormal situations and emergencies.

Application scenarios covered by the system mainly include: (a) flame and smoke detection within the community, (b) monitoring of gas leak, (c) intrusion detection in restricted areas, (d) garbage overflow identification, and (e) crowd gathering recognition.

The system implements a three-level alert mechanisms of: (i) Red Alert (Highest Level): with immediate system and SMS notifications, coupled with AI robots calling management personnel for urgent alerts, (ii) Yellow Alert (Medium Level): with immediate system and SMS notifications for timely warnings, and (iii) Green Alert (Low Level): with immediate system notifications for less critical alerts.

Apart from the main function of community hazards monitoring and alerts, the system could also assist community management staff with manual patrols to streamline task assignment, formulate and track routine manual patrols with clear processes that are easy to execute. Additionally, the system can centralize the monitoring of various other devices within the community to proactively identify and address potential issues and hazards fostering a secure and eco-friendly living environment. This includes (i) monitoring of electric scooters and electric vehicles in respect of their inventory, charging frequency, equipment status and energy consumption, and (ii) monitoring of the drinking water dispensers shared by the community in respect of their volume, equipment status and water quality.

### ***Overseas Sales***

Apart from our sales of urban management solutions targeting customers in the PRC, we also commenced in 2024 sale of home security devices to overseas consumers in the United States through our online store on the international e-commerce platform of Amazon. Such products were sold online under our own brand and mainly include doorstep lighting and alarm systems which can be used for access control, detection of intrusions and alarms for fire, smoke and other abnormal circumstances. We explored such business line with an aim to broadening our clientele from enterprise and public sector customers to individual and consumer customers and also leveraging our AI algorithms and technologies used in our existing front-end devices with inspection, surveillance and sensor functions. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from overseas sales amounted to nil, nil, RMB0.1 million, and RMB0.1 million, respectively, representing nil, nil, 0.04%, and 0.02% of our total revenue, respectively.

As of the Latest Practicable Date, the export of our home security devices exported to the U.S. is subject to a tariff rate of 45%. Considering that our revenue generated from overseas sales represented only an immaterial amount of our total revenue during the Track Record Period, our Directors are of the view that the imposition of U.S. tariffs on our products would not have a material adverse impact on the Group. Based on the above, the Sole Sponsor also concurs with the Directors' view that the imposition of U.S. tariffs on our products would not have a material adverse impact on the Group.

### Our AI Industry Models

The AI industry models serve as a bridge between our underlying technology platform, the NBK-INTARI AI Platform, and our solutions. Our AI industry models are empowered by our underlying technology platform, the NBK-INTARI AI Platform. Our AI industry models would subsequently empower the business scenarios across different industries, enabling the rapid development of products or solutions, as well as the collaboration of cross-industry and cross-scenario industry models.

#### *Multimodal AI Industry Models*

Our AI industry models are multimodal at the underlying technical level which include the vision mode, simulation mode, language mode, and hardware mode. These modes refer to the different functions and capabilities that our AI industry models are able to achieve. Depending on the specific application scenario, an AI industry model maybe “capable of” one mode or a combination of any of such modes.

- **Vision Mode:** The vision mode of our industry models is capable of enhanced precision for detection with relatively high detection rate. For instance, our fusion feature target detection algorithms based on deep learning and linear motion judgment can typically enhance the overall object detection rate to more than 90%. Our monocular vision distance measurement algorithms can be utilized in our products such as high-speed AI cameras for high-precision object detection. When the AI camera is placed within ten meters from the object, the error in precision detection can be reduced to less than 10 centimeters. Continuous anomaly learning algorithms significantly enhance performance in anomaly detection and segmentation tasks, addressing the issues arising from unsupervised anomaly detection scenarios due to lack of supervised information.

Our catenary checking system, being one of our key products for rail transit, is a case in point when it comes to how the vision mode is enabled in the adoption of AI industry model for rail transit power supply. Vision mode inherent in the AI industry model of rail transit power supply is applied to the business scenario of catenary checking, i.e., the inspection and detection of defects with the suspension status of overhead railway traction power lines, or catenaries. It analyzes the visual characteristics of various parts and components of the catenaries layer by layer to determine the operational status of the equipment (such as looseness, missing parts, jamming, etc.). Defects are then detected and reported with reference to catenary checking standards and historical data.



- **Simulation Mode:** The generator of the simulation mode creates virtual images or videos with specific purposes, such as particular weather conditions. The discriminator on the other hand is responsible for assessing the authenticity of the images or videos generated. Through adversarial training of the two functions, the generator can continuously improve the realism of the virtual images or videos thus produced.

The diagnosis system of power supply equipment, another of our rail transit products, employs physical simulation and virtual video generation technologies based on the simulation mode. Through systematic simulation of the overall condition of multiple devices, our AI industry models can be trained to facilitate diagnosis of faulty conditions with railway power supply equipment.

- **Language Mode:** The language mode is capable of effectively capturing long-range dependencies and semantic information within text, and understanding the complex semantics and grammatical structures of the text. In addition to considering local information during modeling, our language mode also extracts global information from the text, providing a more comprehensive understanding. Such functions perform well in document-related classification and retrieval tasks.

Our solutions for city transportation utilize natural language processing technologies based on language mode of the AI industry model for city transportation. It can be applied to business scenarios for the daily administration of city transportation by staff members of city traffic and transportation bureaus with functional capabilities including business problem inquiries and report generation based on city transportation industry data and knowledge.

- **Hardware Mode:** The hardware mode is primarily responsible for supporting AI hardware products and industry-specific hardware solutions. There are four components to the general model architecture of the hardware mode, being the perception layer, network layer, data layer, and integrated control layer. The four-layer architecture of the hardware mode is not only able to create standalone hardware products but also capable of forming comprehensive solutions in response to the needs of different industries and business scenarios by integrating with other models built on the underlying architecture of the NBK-INTARI AI Platform.

Hardware mode of our AI industry model for rail transit power supply is best reflected in our products of high-speed AI cameras which can adjust device parameters in real-time and rapidly adapt to the application environment to enhance imaging effects. When applied to our Rail Transit 2C Products for catenary safety inspection, it can help improve the image-generating effects of catenaries in low-illumination tunnel environments and at tunnel entrances and exits where light conditions change rapidly. This significantly reduces blind spots in catenary safety inspection and enhances the overall image-generating quality.



### *AI Industry Models by Business and Application Scenario*

Our AI industry models can be categorized into industry models for our main business lines and further into sub-industry models by specific business and application scenarios for each of our relevant business line, the details of which are set forth as below:

#### (1) Transportation Industry Models

- **Rail Transit.** The rail transit AI industry models encompass a variety of major business scenarios and applications in the day-to-day operation and maintenance of rail transit systems, including industry models in respect of power supply, track maintenance, electrical services, locomotive maintenance and train operation. These industry models can be applied to business scenarios such as the inspection for catenary checking, diagnosis of power supply equipment and monitoring of railway substations and can help our customers with the comprehensive digitalization of rail transit management systems in a user-friendly and cost-efficient manner.
- **City Transportation.** The city transportation AI industry models cover a number of business scenarios and applications including taxi cruising, ride-hailing services and public transportation by bus. These industry models have been integrated into a comprehensive solution we are developing for our city transportation solution business, with a view to empowering city transportation management from multiple dimensions such as taxi cruising, ride-hailing services and public transportation by bus, and effectively enhancing the upgrade and interconnection of city transportation management systems.
- **Airport.** The airport AI industry models are currently represented by the airplane docking industry model which empowers the airplane docking products of the aviation sector with relatively low-cost and precise recognition and monitoring capabilities under all weather conditions.

#### (2) Energy Industry Models

- **Electricity.** We utilize and replicate the similarity of AI industry models for rail transit, such as under the power supply industry model, to electricity solution business. The industry models for our electricity solution business can be categorized by business scenario into models for power generation, power distribution and transformation, power transmission, as well as power consumption. These industry models can be used for inspection of power transmission and distribution lines, IT operation and maintenance for integrated grid construction, 3D modeling and monitoring of Data Centers. The electricity AI industry models enable comprehensive solutions for, and lean

management of, the monitoring and inspection, operation and maintenance of power grids, thereby empowering the development of data-driven power operation and maintenance management with improved efficiency.

- **Chemical Engineering.** The chemical engineering AI industry models include those covering exploration and production, refining, storage and transportation and end sales in connection with chemical engineering. These industry models are primarily used for inspection of the refining process and safety management of oil depots. Leveraging our successful application experience from rail transit and electricity areas, we are committed to replicating such industry experience and knowhow to the chemical engineering industry, focusing on transformation of high-risk business scenarios in connection with refining and storage and transportation.

### (3) Urban Management Industry Models

The urban management AI industry models cover models for park management, campus management, emergency management and community management. Such industry models are able to empower our urban management solution business by building an information brain and enabling, multi-scenario and multi-dimensional data driven upgrades of urban management systems from both a holistic overview and visualized micro-management perspective.

### *Interconnection and Collaboration of AI Industry Models*

As our technological and business capabilities progressed over the years, our AI industry models have evolved from one-dimensional to multi-dimensional, enabling not only interconnection amongst different scenarios within the same industry, but also cross-industry applications. This has in turn played a pivotal role in accelerating our business expansion to replicate industry models and related expertise from one business and application scenario to another and creating synergy from our business interconnection and collaboration.

- One-dimensional to multi-dimensional models within one industry.

We refer to industry models for specific application scenarios within a particular industry as one-dimensional models. As the application scenarios within the industry expanded over time, we have combined multiple one-dimensional models into multi-dimensional models, allowing for more comprehensive utilization and exploration of data, as well as more accurate and multi-dimensional support for decision making.

- Take our rail transit solution business as an example, we have a sub-industry model for each of the specific business scenarios and applications such as power supply, track maintenance, and train operation. These sub-industry models of different application scenarios are interconnected to create synergy amongst themselves. For instance, due to the dynamic interconnection of different business scenarios of our rail transit solution business, when judging whether the operation and maintenance status of certain rail transit equipment is abnormal, we not only rely on the power supply sub-industry model but also combine analysis of the engineering equipment parameters and vehicle equipment parameters at the corresponding location based on the track maintenance and train operation sub-industry models which may also impact the workings of our power supply sub-industry model. As such, the cross-specialties or cross-business scenarios multi-dimensional modelling can be utilized to achieve operation and maintenance of rail transit equipment and systems in a more dynamic and effectively manner.
- Synergy created for cross-industry applications and acceleration of business replication.

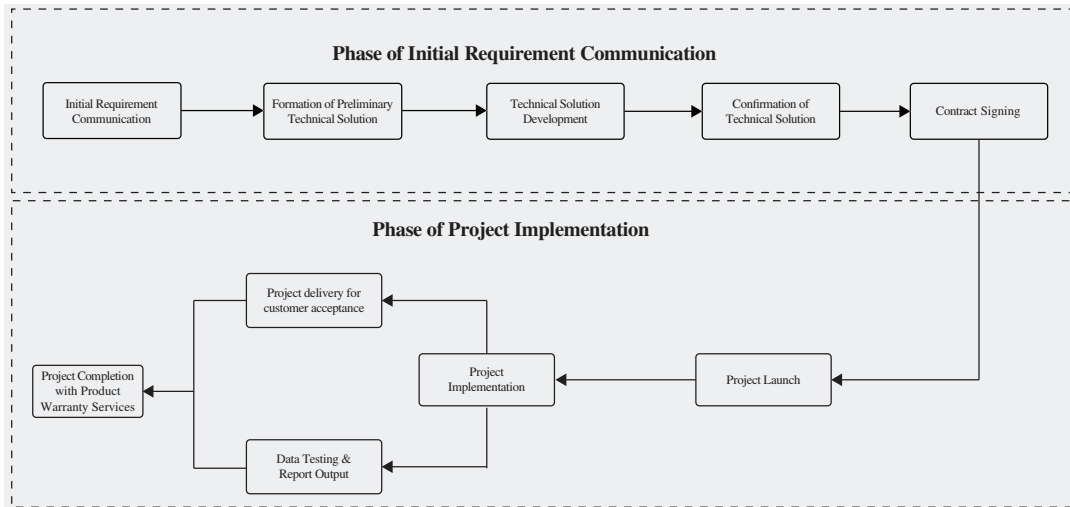
In addition to synergy within one industry, our AI industry models have also evolved to achieve cross-industry applications for enlarged synergic effect. Through model interconnection, we can tap into similar needs across different industries which are usually inherent with comparable business logic that can be applied to a modular algorithm platform for us to replicate from one industry to another with growingly enhanced adaptability.

- For example, we have seamlessly replicated the power supply industry model of our rail transit solution business to both of our electricity solution business and chemical engineering solution business, especially in the aspect of power transmission and distribution, making it an integral part of the electricity and chemical engineering industry models. This is largely attributable to the commonly shared power transmission and distribution business scenarios prevalent in these businesses, in particular, the power transmission and distribution business segments for power grid, as well as the “electrical” equipment in the “mechanical, static, electrical, and instrumentation” equipment categories in for chemical refining segment.

Such cross-industry application approach could therefore help us design and promote products with high versatility and replicability by reinforcing our grasp of the overlaps and similarities amongst different industries.

## Business Implementation Workflow

The following diagram sets forth the general workflow of our business implementation:



Our business operations and implementation with respect to a specific customer contract include the “initial requirement communication phase” before contract signing and the “project implementation phase” after contract signing. The duration of each such phase varies depending on different business segment, customer requirements and complexity of the products and solutions to be delivered and the projects to be implemented. In general, the initial requirement communication phase takes from three to six months before contract signing and for the project implementation phase, it could take around six months from project initiation to customer acceptance of products and solutions delivered.

### *Phase of Initial Requirement Communication*

#### *(1) Initial Requirement Communication*

At this stage, we engage in in-depth communication, as needed, with the customer to fully understand its business background, actual needs, and expected goals. We clarify the detailed scenarios and, through requirement analysis, assess the implementation challenges related to our existing mature solutions and provide preliminary cost analysis to support the technical solution design. Such a stage of initial requirement communication is by and large driven by specific needs of the customer and may be more prevalent in practice for our urban management solution business and energy solution business as compared to rail transit solution business. This is mainly because our rail transit products may have a relatively higher level of maturity with less room needed for customization.

### *(2) Formation of Preliminary Technical Solution*

During this stage, we convene the main pre-sales and marketing team members to formulate a preliminary technical solution by thoroughly contemplating and integrating studies on customer's needs, industry business understanding, and the technical architecture of existing mature solutions.

### *(3) In-depth Communication of Requirement Details and Technical Solution Development*

Based on the preliminary technical solution, both parties further delve into the details of requirements, including functional requirements, performance specifications, user interface design, and specific empowerment scenario requirements. The technical solution is further iterated. The value of this stage lies in ensuring the accuracy and completeness of project requirements, preventing changes and rework in subsequent deployment, thereby improving project execution efficiency and customer satisfaction.

### *(4) Confirmation of Technical Solution*

After the preliminary work and communication with the main business stakeholders, we discuss and confirm the technical solution and further action plan with the customer, clarifying the contract signing timeline and specific requirements from both parties.

### *(5) Signing of Contract*

Both parties sign the contract, specifying the project's scope, timeline, costs, and other key terms. Contract signing is an important milestone for the official launch of the project and a safeguard for the rights and interests of both parties. After contract signing, the implementation team will be officially deployed to advance the project.

## ***Phase of Project Implementation***

This is the execution phase of the project, including project initiation, implementation, and completion. With most of our sales, revenue is recognized at the point product or work result as agreed in the contract is delivered to and acknowledged by the customer and settlement of payment is typically required within a pre-agreed credit term, generally of up to 12 months from sale.

### *(6) Project Launch*

Before project initiation, the project manager and their roles and responsibilities must be clearly defined, along with the basic information, scope, and key stakeholders of the project. The project manager organizes the implementation team and is responsible for utilization of project resources based on the project's basic information and technical solutions, assigning

corresponding roles and responsibilities. After completing the above work, a kick-off meeting will be held to introduce the project overview, objectives and plans to team members, customers, and key stakeholders.

### *(7) Project Implementation*

The entire project implementation stage consists of several main tasks: (i) execution of plans, under which tasks are being implemented according to the project plan, including design, development, testing, and other specific work. Project requirements documents need to be produced with each requirement specified for further action, (ii) refinement of project technical solution and R&D design, including software adaptation and potential customization, determination of hardware specifications and parameters, adaptation, optimization and iteration of algorithms, (iii) management of customer's change of request, under which we assess, approve, and implement changes in customer requests related to project scope, timeline, and costs, and update project documentation to ensure all changes are recorded and tracked, and (iv) project monitoring, under which we collect project data, compare with plans, and evaluate performance in terms of progress, cost and quality for generating monitoring reports and reporting project status to relevant parties.

### *(8) Data Testing and Report Output*

After the entire project has progressed according to the established plan, the final data testing and report output work will be required and conducted. The test report and project work results are generated and delivered to the customer accordingly.

### *(9) Project Delivery for Customer Acceptance*

After project is delivered to the customer, it will be inspected by the customer for acceptance. The implementation of a project would be considered as completed once customer accepts the project.

### *(10) Project Completion with Product Warranty Services*

After project is accepted by the customer, we will typically provide product warranty services in accordance with the terms agreed in the contract for a pre-determined period of time. The product warrant period is typically of one to three years and such services may include technical support, maintenance, problem-solving, and other specific tasks. The value of this stage lies in improving customer satisfaction and loyalty, promoting the company's long-term development. Upon expiry of product warranty period, project-related archiving work will be conducted for officially closing the project.

**Our Business on Project or Non-project Basis**

During the Track Record Period, a portion of our sales of products and solutions, especially much for our energy solution business and urban management solution business, were conducted on a project basis. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had one, three, 13, and 15 ongoing projects, respectively, with aggregate outstanding balance of contract sum (tax included) of RMB154.8 million, RMB138.5 million, RMB32.3 million, and RMB44.2 million, respectively.

During the Track Record Period, the rest of our business, especially much for our transportation solution business, was conducted on a non-project basis. The frequency of customers' purchase of such products and solutions provided on a non-project basis varies and depends on a combination of factors, such as railway bureaus' demands to upgrade existing products based on general product life cycle or additional requirement for newer functions or expanded coverage of railway routes, etc. Our rail transit products and solutions, in particular our Rail Transit 4C Products and Rail Transit 2C Products, generally have a product life cycle of around five years subject to regular maintenance and upgrades.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from project-based business amounted to RMB157.9 million, RMB242.1 million, RMB153.3 million, and RMB160.5 million, respectively, which accounted for 62.5%, 66.6%, 38.1%, and 69.3% of our total revenue, respectively; our revenue generated from non project-based business amounted to RMB94.7 million, RMB121.6 million, RMB249.4 million, and RMB71.1 million, respectively, which accounted for 37.5%, 33.4%, 61.9%, and 30.7% of our total revenue, respectively. The higher contribution of revenue from non-project basis business in 2024 as compared to previous years of the Track Record Period was mainly due to the increase in revenue contribution from transportation solution business in 2024 which was primarily conducted on a non-project basis.

## BUSINESS

### *Major Projects*

The following table sets forth the details of our major projects during the Track Record Period for the portion of our business that was project-based:

No.	Project name	Project type	Customer type	Major products and/or solutions provided	Duration	Contract sum (tax included) <sup>(1)</sup>	Status as of the Latest Practicable Date <sup>(2)</sup>
					(Year)	(RMB in thousands)	
1. . .	<b>Project A</b>	Urban Management – Park management	System integrator	NBK Industry Application Platform – Scenario monitoring & IoT monitoring	2022	14,889	Completed
2. . .	<b>Project B</b>	Urban Management – Campus management	System integrator	NBK Industry Application Platform – Scenario monitoring	2022	8,160	Completed
3. . .	<b>Project C</b>	Rail Transit	System integrator	NBK Industry Application Platform – Big data processing	2022	5,321	Completed
4. . .	<b>Project D</b>	Urban Management – Campus management	System integrator	NBK Industry Application Platform – Scenario monitoring	2022	7,677	Completed
5. . .	<b>Project E</b>	Urban Management – Community management	System integrator	NBK Industry Application Platform – Scenario monitoring & IoT monitoring	2022	8,093	Completed
6. . .	<b>Project F</b>	Electricity	System integrator	IT operation and maintenance system for integrated grid construction	2022 to 2024	250,839	Completed



## BUSINESS

No.	Project name	Project type	Customer type	Major products and/or solutions provided	Duration	Contract sum (tax included) <sup>(1)</sup> <i>(RMB in thousands)</i>	Status as of the Latest Practicable Date <sup>(2)</sup>
7. . .	<b>Project G</b>	Urban Management – Park management	System integrator	NBK Industry Application Platform – Scenario monitoring & IoT monitoring	2022	7,060	Completed
8. . .	<b>Project H</b>	Urban Management – Park management	System integrator	NBK Industry Application Platform – Scenario monitoring & IoT monitoring	2022	15,890	Completed
9. . .	<b>Project I</b>	Electricity	Direct customer	Software and hardware integrated solutions for energy solution business in respect of power grid inspection	2023 to 2024	128,100	Completed
10. .	<b>Project J</b>	Urban Management	Direct customer	NBK Industry Application Platform – Scenario monitoring	2023	125,440	Completed
11. .	<b>Project K</b>	Urban Management – Park management	Direct customer	Technology Services	2024 to 2025	7,060	Completed
12. .	<b>Project L</b>	Urban Management – Campus management	System integrator	NBK Industry Application Platform – Scenario monitoring & IoT monitoring	2024	19,921	Completed

## BUSINESS

No.	Project name	Project type	Customer type	Major products and/or solutions provided	Duration  (Year)	Contract sum (tax included) <sup>(1)</sup>  (RMB in thousands)	Status as of the Latest Practicable Date <sup>(2)</sup>
13.	<b>Project M</b>	Urban Management	System integrator	NBK Industry Application Platform – Scenario monitoring	2025	11,105	In the process of finalizing customer acceptance
14.	<b>Project N</b>	Urban Management	System integrator	NBK Industry Application Platform – Scenario monitoring	2025	6,420	In the delivery phase
15.	<b>Project O</b>	Urban Management	Direct customer	NBK Industry Application Platform – Scenario monitoring & Big data processing & IoT monitoring	2025	131,293	Completed

*Notes:*

- (1) The contract sum according to the relevant project contract is inclusive of VAT.
- (2) For purposes of this table, project commencement refers to contract signing with the relevant customer and project completion refers to customer acceptance of the products and/or services delivered.

## BUSINESS

### *Project Backlog*

For the portion of our business that was project-based, the following table sets forth the movement of the number of projects by business line for the periods indicated:

	Year ended December 31,			Six months ended June 30,	Four months ended October 31,
	2022	2023	2024	2025	2025
<b>Number of ongoing projects at the beginning of the year/period . . . . .</b>					
– energy solution . . . . .	–	1	2	8	1
– urban management solution . . . . .	1	–	1	5	14
	<b>1</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>15</b>
<b>Add: Number of newly awarded projects . . . . .</b>					
– transportation solution . . . . .	2	–	–	–	–
– energy solution . . . . .	1	1	14	3	–
– urban management solution . . . . .	8	2	7	14	7
	<b>11</b>	<b>3</b>	<b>21</b>	<b>17</b>	<b>7</b>
<b>Less: Number of projects completed . . . . .</b>					
– transportation solution . . . . .	2	–	–	–	–
– energy solution . . . . .	–	–	8	10	–
– urban management solution . . . . .	9	1	3	5	15
	<b>11</b>	<b>1</b>	<b>11</b>	<b>15</b>	<b>15</b>
<b>Number of ongoing projects at the end of the year/period . . . . .</b>					
– energy solution . . . . .	1	2	8	1	1
– urban management solution . . . . .	–	1	5	14	6
	<u><b>1</b></u>	<u><b>3</b></u>	<u><b>13</b></u>	<u><b>15</b></u>	<u><b>7</b></u>

## BUSINESS

For the portion of our business that was project-based, the following table sets forth the movement in backlog of the projects by outstanding contract sum and by business line for the periods indicated:

	Year ended December 31,			Six months ended June 30,	Four months ended October 31,
	2022	2023	2024	2025	2025
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
<b>Contract sum</b>					
<b>outstanding balance</b>					
<b>at the beginning of</b>					
<b>the year/period . . .</b>					
– energy solution . .	–	154,802	134,980	20,158	148
– urban management					
solution . . . . .	1,136	–	3,500	12,166	44,072
	<b>1,136</b>	<b>154,802</b>	<b>138,480</b>	<b>32,324</b>	<b>44,220</b>
<b>Add: Contract</b>					
<b>sum<sup>(1)</sup> . . . . .</b>					
– transportation					
solution . . . . .	7,046	–	–	–	–
– energy solution . .	250,838	128,100	41,028	9,600	–
– urban management					
solution . . . . .	65,650	128,940	29,680	180,961	17,644
	<b>323,534</b>	<b>257,040</b>	<b>70,708</b>	<b>190,561</b>	<b>17,644</b>
<b>Less: Contract</b>					
<b>sum<sup>(2)</sup> . . . . .</b>					
– transportation					
solution . . . . .	7,046	–	–	–	–
– energy solution . .	96,037	147,922	155,850	29,610	–
– urban management					
solution . . . . .	66,785	125,440	21,014	149,056	38,415
	<b>169,868</b>	<b>273,362</b>	<b>176,864</b>	<b>178,666</b>	<b>38,415</b>
<b>Contract sum</b>					
<b>outstanding balance</b>					
<b>at the end of the</b>					
<b>year/period . . . . .</b>					
– energy solution . .	154,802	134,980	20,158	148	148
– urban management					
solution . . . . .	–	3,500	12,166	44,072	23,302
	<b>154,802</b>	<b>138,480</b>	<b>32,324</b>	<b>44,220</b>	<b>23,450</b>

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*Notes:*

- (1) The addition in contract sum refers to the increase in contract sum due to newly awarded projects during the year or period.
- (2) The deduction of contract sum predominately refers to the amount of contract sum of which revenue was recognized during the year or period. To limited extent, it also refers to the amount of contract sum of which the underlying trade receivables were subject to individual impairment, or represented the portion of contract(s) that were early terminated. In 2024, we had certain contract sum of RMB5.2 million early terminated which was in relation to a contract entered into by us with Customer A for the provision of certain maintenance and upgrade services. For further details, see “Financial Information — Description of Selected Consolidated Statements of Financial Position Items — Trade and Bills Receivables — Trade Receivables — Allowance for impairment of trade receivables.”

The addition in the number of projects in 2022 was mainly in relation to urban management solution business for system integrators. The addition in the number of projects in 2024 was mainly in relation to Technology Services provided to direct customers for both energy solution business and urban management solution business. The addition in the number of projects for the six months ended June 30, 2025 was mainly in relation to Technology Services provided to direct customers for our urban management solution business.

Of the seven ongoing projects as of October 31, 2025: (a) one project was in relation to provision of Technology Services to direct customers for our urban management solution business in the field of park management, with an aggregate contract sum outstanding balance of RMB0.7 million as of October 31, 2025, (b) two projects were in relation to provision of software and hardware integrated solutions to direct customers for park management under urban management solution business with an aggregate contract sum outstanding balance of RMB0.9 million as of October 31, 2025, (c) one was in relation to sale of oil depot safety management system for our chemical engineering solution business with a contract sum outstanding balance of RMB0.1 million as of October 31, 2025, and (d) three projects were mainly in relation to urban management solution business for system integrators, with an aggregate contract sum outstanding balance of RMB21.7 million as of October 31, 2025.

We experienced fluctuations in the contract sums of our projects during the Track Record Period. This was primarily due to timing differences in customers’ acceptance of our products delivered for our projects (and sometimes at varying implementation phases), as well as the fact that many of our customers for our project-based businesses generally only engaged us for one-off projects rather than on a recurring basis.

We had a decreasing trend of the average contract sum per newly awarded projects and per ongoing projects during the Track Record Period from 2022 to 2024 which was mainly attributable to a higher contribution in the number of Technology Services projects newly awarded in 2024 and still ongoing as of December 31, 2024. We provided these Technology Services generally for the customized development of mainly AI-related software products to customers and these projects were typically of relatively smaller contract sum as compared to our other projects during the Track Record Period.

We did not have any loss-making projects during the Track Record Period.

### **Case Studies**

#### ***Case 1***

Customer S is our direct customer for rail transit solution business, which is a provincial-level railway bureau, managing two main power supply subsections of the railway in north China. Customer S wished to leverage advanced AI technologies to enable catenary checking for the railway traction power supply systems, with a view to addressing high labor costs, low detection accuracy, and delayed responses to accidents or system failures associated with traditional manual inspection methods.

We provided our catenary checking system, being one of our key Rail Transit 4C Products, to Customer S. This product exemplifies how the vision mode is implemented within the AI industry model for rail transit power supply. In this context, the vision mode is utilized specifically for the business scenario of catenary checking, which involves inspecting and identifying defects in the suspension condition of overhead railway traction power lines, or catenaries. The system performs a layer-by-layer analysis of the visual features of the catenaries' various parts and components to assess their operational condition (including issues such as looseness, missing components, or jamming). Detected defects are then reported with reference to established catenary checking standards and historical data. After understanding Customer S' business background and expected goals, our team meticulously formulated an integrated solution that combined the catenary checking system with tailored software algorithms and data analysis modules to meet the specific needs of Customer S. Our solution is capable of identifying various types of defects, including loose components, missing components, and improperly installed components. The catenary checking system can automatically analyze and mark defects, significantly reducing the workload of defect labeling, lowering manual labor intensity, and improving analysis quality and efficiency. Our solution has effectively helped Customer S bolster its capacity for inspection within the railway traction power supply system, with a defect detection rate exceeding 98%. It achieves enhanced analytical efficiency by processing up to five images per second and can facilitate the completion of a workload that would require 60 days of labor by a single person to mere four days, ensuring consistent and reliable detection quality that surpasses traditional manual methods. Overall, the system has proven to be highly effective in reducing labor intensity, improving analysis quality, lowering the safety risks caused by equipment failures, and providing a practical technical means to enhance equipment quality management.

**Case 2**

Customer Y is our direct customer for electricity solution business, which is a comprehensive technology enterprise specializing in industrial robotics and unmanned aerial vehicles, which are widely applied in power supply industry. Customer Y sought a more efficient and accurate inspection solution to overcome inefficiencies of manual inspection in the power supply industry.

We provide the power grid inspection and defect detection solution, specifically tailored to enhance the efficiency and accuracy of power line inspection and damage assessment for Customer Y. This solution is implemented in the form of the power transmission and distribution line inspection system, which integrates our AI-based software on back-end servers with front-end devices, including edge analysis devices and sensor collection equipment. The front-end devices are responsible for collecting and preprocessing inspection data, controlling equipment, and detecting equipment status parameters, while the back-end servers perform analysis using advanced AI algorithms and image recognition techniques. Our solution integrates advanced AI algorithms alongside image recognition techniques to conduct analysis on imported data, while also facilitating manual review and confirmation of system-analyzed defects. Common defects that our solution can detect include, among others: burn marks or damage on insulators, foreign objects such as bird nests or beehives, rust, frayed or broken wires, missing or loose fasteners, improperly secured safety pins or makeshift replacements like wire, as well as issues with support equipment such as vibration dampers, identification plates, poles, and bird deterrents. The technical service goal is to support the image recognition and data analysis of Customer Y's inspection results across 10kV distribution lines, and to generate comprehensive defect and risk assessment reports. In order to meet the specific needs of Customer Y, we conducted a four-phase project implementation plan, encompassing requirement research, data collection and preprocessing, model training and software development, and implementation and acceptance. With our solution, Customer Y benefits from an analysis speed of up to three images per second and a stable recognition quality that is less susceptible to the variability of human factors. Additionally, our solution enables Customer Y to complete the same workload with a 90% reduction in time required. The implementation of our solutions leads to a decrease in labor intensity, an increase in operational efficiency, and a reduction in the exposure time for high-risk defects, which in turn enhances the reliability and safety of power grid maintenance. With our integrated inspection system, Customer Y can automatically analyze massive inspection data, accurately identify defects, reduce safety risks, and achieve reliable, scalable monitoring of transmission and distribution lines.

### *Case 3*

Customer G, one of our top five customers in 2022, is a system integrator for our urban management solution business, which primarily serves public sector end customers. We provide Customer G with our emergency management system, in connection with an emergency command system for End Customer Z.

We upgraded the broadcasting systems of village and local governments by integrating traditional infrastructure with our emergency command system through the addition of broadcast adapters, GPS servers, audio servers, and other devices. This emergency command system operates on our NBK Industry Application Platform, integrating functional modules for data collection, preprocessing, annotation, and analysis, along with model training and optimization. This system allows End Customer Z to proactively monitor, respond to, and manage potential security threats and emergencies, including environmental incidents and abnormal behaviors. Compared with traditional emergency monitoring systems, our system allows for real-time detection of natural hazards such as floods, landslides, and rockfalls. Upon identifying such risks, the system triggers automatic alerts, facilitating a timely response to safeguard lives and infrastructure. Our system helped End Customer Z reduce the time required for disaster reporting and command issuance from the previous four to eight hours to within 30 minutes, enabling one-click command delivery directly to village-level terminals, which enhanced emergency response efficiency.

Besides, to prevent disruptive gatherings and violent confrontations, this system is equipped with monitoring capabilities to detect abnormal behaviors, such as unusual crowd gatherings, rapid movements, and fights. The system demonstrates a high level of precision, allowing it to distinguish between benign interactions, such as handshakes or embraces, and aggressive confrontations among individuals positioned between three meters and twenty meters from the camera. Additionally, it can accurately identify movements exceeding speeds of five meters per second, as well as crowd formations that meet pre-defined thresholds for unusual gatherings. This addresses the limitations of traditional emergency command systems in intelligent applications, particularly the single-function information collection and processing capabilities and low integration of multi-source information, enabling customers to respond to emergencies in a more timely and effective manner.



## BUSINESS

### SALES CHANNELS

#### Sales Model

During the Track Record Period, our products and services were sold to three types of customers, namely (i) distributors, (ii) system integrators, and (iii) direct customers. The following table sets forth the breakdown of our revenue by business line and by sales channel for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	<i>(unaudited)</i>									
Transportation solution business										
– Distributors . . . . .	78,611	31.1	99,965	27.5	197,525	49.1	63,782	34.4	55,540	24.0
– System Integrators . . .	6,235	2.5	–	–	–	–	–	–	–	–
– Direct customers . . . .	16,134	6.4	11,000	3.0	11,856	2.9	6,912	3.7	15,459	6.7
Sub total . . . . .	100,980	40.0	110,965	30.5	209,381	52.0	70,694	38.1	70,999	30.7
Energy solution business										
– System Integrators . . .	84,988	33.6	131,105	36.0	1,623	0.4	1,623	0.9	–	–
– Direct customers . . . .	7,547	3.0	10,620	3.0	172,874	42.9	113,362	61.0	27,934	12.0
Sub total . . . . .	92,535	36.6	141,725	39.0	174,497	43.3	114,985	61.9	27,934	12.0
Urban management solution business										
– System Integrators . . .	59,105	23.4	–	–	17,628	4.4	–	–	6,374	2.8
– Direct customers . . . .	–	–	111,009	30.5	1,134	0.3	47	0.0	126,264	54.5
Sub total . . . . .	59,105	23.4	111,009	30.5	18,762	4.7	47	0.0	132,638	57.3
Total . . . . .	252,620	100.0	363,699	100.0	402,640	100.0	185,726	100.0	231,571	100.0

Save for our online e-commerce sales to overseas consumers started in 2024, all of our sales during the Track Record Period and up to the Latest Practicable Date were made to customers located in the PRC.

## BUSINESS

During the Track Record Period, a substantial part of our revenue was generated from sales, directly or indirectly, from public sector end-customers. The following table sets forth the breakdown of our total revenue by end-customer type for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	<i>(unaudited)</i>									
Public sector <sup>(1)</sup> . . . . .	236,046	93.4	353,076	97.1	342,789	85.1	185,679	100.0	203,524	87.9
Non-public sector . . . . .	16,574	6.6	10,623	2.9	59,851	14.9	47	0.0	28,047	12.1
<b>Total . . . . .</b>	<b><u>252,620</u></b>	<b>100.0</b>	<b><u>363,699</u></b>	<b>100.0</b>	<b><u>402,640</u></b>	<b>100.0</b>	<b><u>185,726</u></b>	<b>100.0</b>	<b><u>231,571</u></b>	<b>100.0</b>

*Note:*

- (1) Public sector refers to end customers that are state-owned enterprises and/or are engaged in public services, including railway and other public transportation, power grid and other utilities services, government agencies, public medical and educational institutions, etc.

### Sales to Distributors

We sell our products to third-party distributors by transferring the ownership thereof directly for their subsequent sale to their customers. During the Track Record Period and up to the Latest Practicable Date, the distributorship sales model was solely adopted for our rail transit solution business and our distributors were generally companies engaged in the provision of information technology products and services and having established business relationships with end customers such as railway bureaus and their subordinate units. To the best of our knowledge, apart from our rail transit products, these distributors also offer other instruments and meters, tools, small-scale maintenance equipment, information systems, engineering services and equipment maintenance and support to customers including railway bureaus. For instance, while our products sold to these distributors may be focused on scenarios such as traction power supply, these distributors may also have been selling products for other aspects of railway systems, such as for track maintenance and locomotive maintenance. Furthermore and to the best of our knowledge, some of these distributors are also approved suppliers of China Railway Group and/or other local railway bureaus.

The reason why distributorship sales model was only adopted for rail transit during the Track Record Period was mainly because a lot of our rail transit products, when compared with products and solutions provided for our other businesses, are relatively more standardized. Such products generally have a higher product maturity and are compatible with, and can be integrated into, the railway network of China with relatively less room needed for customization as compared to products of our other businesses, which make it more feasible to be promoted to a wider audience through distributors in a more cost-effective manner. In particular, the distributorship sales model helps us to expand our sales coverage of railway bureaus and subordinate units at different levels and in various locations in the PRC, by

cultivating the sales expertise and existing sales network and relationships of our distributors. During the Track Record Period, our rail transit products and solutions were mainly sold to distributors before they were subsequently sold to end-customers such as railway bureaus and subordinate units. Other rail transit products and solutions were generally sold to railway bureaus and subordinate units as direct customers. In very limited circumstances, such products would be sold to system integrators before they were integrated for subsequent sales to end customers. According to CIC, our sales model engaging distributors is in line with customary industry practice.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had a total of eight, seven, 12, and ten distributors in the PRC. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from sales to distributors was RMB78.6 million, RMB100.0 million, RMB197.5 million, and RMB55.5 million, respectively, representing 31.1%, 27.5%, 49.1%, and 24.0% of our total revenue, respectively.

We adopt a single-layer distribution system, whereby our distributors sell our products without selling to any sub-distributors. In line with industry practice, we do not consider our sales to system integrators as sales to distributors. See “— Sales Channels — Sales to System Integrators.” We believe that our single-layer distribution system allows us to more efficiently manage and control our distribution network with greater visibility over market demand. To the best of our knowledge and belief, we are not aware of sales made by our distributors through any sub-distributorship arrangements during the Track Record Period and up to the Latest Practicable Date.

To the best of our Directors’ knowledge and belief, all of our distributors during the Track Record Period and up to the Latest Practicable Date were Independent Third Parties. We adopt a unified standard when engaging distributors and do not provide any advance or financial assistance to any distributor. We seek to establish and build a long-term and close relationship with our distributors. We had an ongoing business relationship of approximately two to three years on average with our distributors during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, we did not have any material complaints, disputes, claims or litigations with our distributors.

### ***Selection of Distributors***

We are selective in the distributors we engage and our sales and marketing personnel responsible for new distributor selection will review the background, qualifications and other relevant operation of potential candidates. We also place more emphasis on candidates’ operational track record, marketing capabilities, relationships with customers in their geographic region or industry vertical, as well as any available market share. We also consider candidates’ overall operational capabilities, capital resources, existing sales network and capacity to fulfill contractual obligations. If the potential distributors pass our initial evaluation, we will begin to negotiate commercial terms of the distributor agreement. We conduct review from time to time of our distributors based on, among others, their financial performance, credit records, sales performance as well as feedbacks from end customers. We

also review their compliance with applicable laws and regulations, as well as other requirements and policies. Our sales and marketing team monitors, manages and supports the activities of our distributors to help ensure that they comply with our guidelines, policies, procedures and applicable laws and regulations.

#### ***Agreements with Distributors***

We enter into framework distributorship agreements with some of our distributors, under which such distributors are typically required to reach pre-set purchase target within their designated sales area or scope. The distributors then place sales orders with us (primarily in the form of sales contracts) for procurement of products from time to time. Key terms of the distributorship framework agreements are summarized as follows:

<b>Distributor relationship . . .</b>	Our relationship with a distributor is not that of a principal and an agent, but that of a customer and a supplier under which we transfer the ownership of products to the distributor directly for its subsequent sale of such products to the distributor's customers.
<b>Term . . . . .</b>	Generally for one to three years and subject to automatic renewal provided the relevant sales targets and other agreed conditions are met.
<b>Designated sales scope . . . .</b>	The geographical regions, targeted vertical industry and/or product type for which the distributor is responsible are designated by us. The distributor is strictly prohibited from selling our products outside its designated sales scope without our prior written consent.
<b>Sales performance and targets . . . . .</b>	Minimum sales requirements or sales targets are typically set forth in the agreement for the distributor. We determine such sales targets based on a number of factors including the economic and demographic profile of the geographic region(s) covered by the distributor, the number, scale and other applicable attributes of the targeted customers and industry verticals covered by the distributor, the specific needs and requirements of the relevant end customers (if any), the distributor's size, sales capabilities and expertise, operation and financial capabilities and any other factor that we deem relevant.
<b>Pricing . . . . .</b>	The framework distributor agreement typically sets forth the unit price we sell to the distributor.

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## BUSINESS

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<b>Payment</b> . . . . .	The distributor is required to make payment for the contract price within the agreed credit term after successful acceptance of the products. If no objection is raised by the distributor within a prescribed period from delivery as to product quality, the products are deemed as successfully accepted by the distributor.
<b>Product Warranty</b> . . . . .	A product warranty period of generally 12 months is granted by us to the distributor. Parties shall enter into supplemental agreement for any further update services to be provided upon expiry of the warranty period.
<b>Compliance</b> . . . . .	The distributor is required to comply with all applicable laws and regulations as well as our policies put in place for distributors to comply, including those in respect of confidentiality, IP protection, anti-bribery and anti-kickback.
<b>Termination</b> . . . . .	The distributorship agreement may be terminated by us for cause when, among other things, the distributor fails to comply with relevant laws and regulations, fails to meet any pre-set sales amount, sells our products outside its designated sales scope without our prior written consent, operates illegally or otherwise breaches the agreement in any material respect.

For distributors other than those we enter into framework agreements with, we enter into sales contracts with them the terms of which are generally similar to those set forth in the distributorship framework agreements except that we normally do not require for any pre-set purchase target from such distributors.

## BUSINESS

### *Historical Movement of the Number of Distributors*

During the Track Record Period, all of our distributors were in relation to rail transit of our transportation solution business. The following table sets forth the movement in the number of our distributors during the Track Record Period:

	Year ended December 31,			As of June 30,
	2022	2023	2024	2025
<b>Number of distributors at the beginning of the year or period . . . . .</b>	4	8	7	12
– <b>Number of distributors newly engaged during the year or period . . . . .</b>	4	1	8	–
– <b>Decrease in number of distributors<sup>(1)</sup> . . . . .</b>	–	(2)	(3)	(2)
<b>Number of distributors at the end of the year or period . . .</b>	8	7	12	10

*Note:*

- (1) Decrease in number of distributors refers to: (i) a distributor with whom we had a framework distributorship agreement in the immediately preceding year or period but did not renew such framework agreement in the current year or period, or (ii) in respect of a distributor we do not have a framework agreement with but only entered into sales contracts, no sales were generated in the current year or period from such a distributor.

We engaged new distributors during the Track Record Period as we further developed our sales for rail transit solution over such periods. As we review the performance of our distributors from time to time, we may choose not to renew the relevant framework agreement with a distributor to optimize our distributor sales if it fails to meet the sales performance targets on a repeated basis or otherwise fails to comply with the distribution agreement in a material respect. In some other cases, a distributor may cease to procure from us in any given period due to changes in market demand from time to time or the distributor may have adjusted its own business direction or sales product portfolio making it not suitable for the sales target and scope intended to be covered by us.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we had decrease in the number of distributors of nil, two, three, and two, respectively. During the Track Record Period and up to the Latest Practicable Date, we did not terminate the framework agreement with any distributor prior to its expiry. The decrease in the number of distributors during the Track Record Period were related to distributors with whom (i) we entered into sales contracts without entering into any framework agreement and we did

not generate any sales with these distributors in the relevant year or period as indicated in the table above, or (ii) we entered into framework agreement but did not renew such agreement upon expiry for reasons such as the relevant distributor failed to meet relevant sales target.

### ***Management of Distributors***

The goals of our management of distributors are to ensure a healthy and orderly market for our products, to maintain relatively high visibility of, and accurate understanding in, the sales performance of our distributors and demand for our products, and to build our distributor sales coverage and protect our product and brand reputation.

We typically rely on distributorship framework agreements and/or sales contracts, policies and measures that we have in place to manage and control our distributors. Through our measures adopted to manage distributors, as well as penalties imposed on non-complying distributors, such as termination of relevant distributorship agreements, we strive to ensure that our distributors comply with the terms in connection with the distributorship.

According to our policies and measures for the management of distributors, our sales team are required to monitor the business and performance of our distributors on an ongoing basis. Sales personnel must regularly visit and communicate with distributors to track and assist with the business development by the distributors for the sales of our products, which include, among others, (i) understanding the operational and market development status of distributors and the relevant end-customers covered by such distributors, (ii) assisting in providing technical support to end customers where needed, (iii) following up on distributors' status with meeting the relevant sales target according to any scheduled progress, and (iv) tracking compliance by the distributors with the terms of the distributorship agreements (such as with respect to the designated sales scope). Sales personnel shall provide necessary business training to distributors to ensure their performance of sales targets. Sales personnel are required to report any problem or issue with contract execution and special requirements of distributors to the marketing department for proper follow-up steps to be taken to address the issue.

We require distributors to sell our products within their designated geographic regions and/or targeting customers in designated industry verticals in accordance with the terms of the distributorship agreements to avoid potential competition among distributors. Separately, in order to minimize the risk of cannibalization amongst distributors and potentially with direct customers, we would, based on our best understanding and to the extent practicable, develop business relationships with direct customers outside of the scope of end customers that are usually covered our major distributors. In addition, we would monitor, to the extent applicable, the sales of our products and collect feedback on our products and information on potential cannibalization through after-sales services during product warranty period or during provision of any subsequent maintenance and upgrade services. We encourage distributors to supervise each other and report to us any unauthorized sales and may impose penalties or terminate our business relationships as needed in accordance with the terms of the distributorship agreements as well as our internal policies after verification of such unauthorized sales behaviours.

Our distributors usually purchase from us based on actual demand from their customers on an “as needed” basis. Therefore they normally maintain no inventory of our products and solutions. We believe that we are able to ensure that our sales to distributors reflect genuine market demand for our products in consideration of the following: (i) we have access to information on the customers that our distributors sell to through (a) arrangement by us of product delivery to the location of these subsequent customers as designated by our distributors, (b) where applicable, on-site configuration and testing upon product deployment, and (c) to the extent applicable, the provision of subsequent maintenance services during product warranty period, and (ii) we typically do not accept distributors to return any unsold products unless there are quality defects.

Our distributors are subject to an anti-corruption and anti-bribery obligation pursuant to our distributorship agreements, sales contracts and/or our policies on management of distributors, under which they (i) are prohibited from offering, paying or promising money or anything of value to our employees, agents or their respective relatives and friends; (ii) are required to comply with and require their employees and agents (if any) to comply with applicable anti-corruption and anti-bribery laws and regulations; and (iii) shall not conduct behaviors that violate relevant national laws and regulations or business ethics and other behaviors that affect the fairness of transactions. We also provide anti-corruption and anti-bribery compliance trainings to our distributors. If we discover that our distributors or anyone acting on their behalf have committed commercial bribery, we have the right to terminate the distributorship agreement and require the distributors to pay liquidated damages. In addition, we have implemented anti-corruption and anti-bribery internal control policies and measures (including signing of undertakings and implementation of whistle-blowing mechanism) to strictly control corruption and bribery activities of our employees or their respective relatives and friends, including those in connection with our distributors.

To the best of our Directors’ knowledge and belief, none of our distributors or any of our current or former employees (when dealing with our distributors) was or has been the subject of, or otherwise involved in, complaints, investigations, or regulatory enquiries in relation to, any bribery or kickback arrangements during the Track Record Period and up to the Latest Practicable Date.

### **Sales to System Integrators**

We sell our products to third-party system integrators. We transfer the ownership of our products to system integrators directly for them to integrate our products in their offerings for subsequent sale to end customers.

Certain end customers of our solutions, typically end customers for our urban management solution business and energy solution business, engage system integrators when selecting suppliers or service providers to benefit from the various services and/or products integrated by such system integrators without the necessity of directly negotiating with a large number of such suppliers or service providers. Such end customers typically lay out the goals they plan to achieve and the budget for their projects and engage third-party system integrators,



instead of engaging us directly. System integrators procure hardware and/or software solutions from companies like us, and implement software and hardware integrated solutions for end customers with uniform standards. System integrators usually also provide various types of assistance in project implementation, such as selecting suppliers, integrating the work products of different suppliers and managing the implementation and they may themselves develop or provide a portion of the products or service offerings as integrated. Due to the relationships amongst the system integrators, the end customers and us as described above, in some cases with our sales to system integrators, the payment term is subject to the payment timing of end customers to the system integrators in the first place. According to CIC, such back-to-back payment arrangements with system integrators are in line with industry norm for our sales to these customers. For further information on our internal control measures regarding payment collection from system integrators, see “Financial Information — Liquidity and Capital Resources — Working Capital Sufficiency.”

System integrators that cooperate with us are typically companies engaged in the integration of information technology products and services to end customers of urban management projects, or such system integrators serving power grid companies or railway bureaus and their subordinate units. According to CIC, it is an industry norm for end customers to engage system integrators to implement their projects, in particular, in the fields of AI+ solutions for transportation, energy and urban management industries.

We do not believe that our sales model with system integrators is a distributorship model, primarily because: (i) system integrators are not distributors that we engage primarily with a view to broadening our sales channels; instead, they are selected largely by end customers by industry practice to implement end customers’ projects; and (ii) there are no differences in pricing and other material terms between our contracts entered into with system integrators and that entered into with end customers for our direct sales whereas we have different pricing considerations with distributors and we enforce additional commercial terms on certain distributors such as designated sales scope and pre-set sales targets, as well as other requirements for management of the distributors which is not the case for our business relationships with system integrators.

Based on the foregoing, we do not believe that system integrators are our distributors, and we do not believe that our business relationships with them raise any concern in relation to inventory risk, channel stuffing or cannibalization. Rather, system integrators’ extensive industry resources and know-how, as well as strong sales capabilities contribute efficiently to the end customers’ deployment of our solutions, and, through cooperating with system integrators, we can better focus on providing our specialized solutions by leveraging our core technologies.

System integrators generally enter into purchase agreements with us on an as-needed basis. We do not enter into framework agreements with system integrators. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from sales to system integrators was RMB150.3 million, RMB131.1 million, RMB19.3 million and RMB6.4 million, respectively, representing 59.5%, 36.0%, 4.8%, and

2.8% of our total revenue, respectively. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we generated revenue from a total of ten, two, two and two system integrators, respectively, out of which: (a) one, nil, nil and nil were in relation to our transportation solution business, (b) two, two, one and nil were in relation to our energy solution business, and (c) seven, nil, one and two were in relation to our urban management solution business, respectively.

To the best of our Directors' knowledge and belief, all of our system integrators during the Track Record Period were Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, we did not have any material complaints, disputes, claims or litigations with our system integrators.

#### ***Contract Terms with System Integrators***

Key terms of the agreements we enter into with system integrators are summarized as follows:

<b>System integrator relationship . . . . .</b>	Our relationship with the system integrator is not that of a principal and an agent, but that of a customer and a supplier under which we transfer the ownership of products to the system integrator directly for it to integrate our products in its own offerings for subsequent sale to end customers.
<b>Term . . . . .</b>	Generally for one to two years.
<b>Purchasing amount and pricing . . . . .</b>	The purchasing amount and pricing for each type of products are subject to negotiation and stipulated in each agreement. The prices are typically at fixed unit prices. During the term of the contract, the system integrator is entitled to adjust the purchasing amount, and may purchase in batches on an as-needed basis.
<b>Transportation and delivery . . . . .</b>	We shall be responsible for delivering the products to the system integrator's designated location.
<b>Transfer of ownership and risks . . . . .</b>	All risks prior to the acceptance of the products shall be borne by us. The ownership transfers to the system integrator after the issuance of acceptance by the system integrator.

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## BUSINESS

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<b>Payment</b> . . . . .	The system integrator is generally entitled to payment by installments whereby the initial payment shall be made upon contract signing, and progress payments shall be made to us within agreed period after acceptance of the products by the system integrator and in certain cases subject to receipt of the corresponding payment from end customers. Final payment is usually made after the expiration of product warranty period.
<b>Product warranty.</b> . . . . .	A product warranty period ranging from one to three years is typically granted by us to the system integrator. Parties shall enter into supplemental agreement for any further update services to be provided upon expiry of the warranty period. We typically do not accept product return from system integrators unless there are quality defects.
<b>Compliance</b> . . . . .	The system integrator is required to comply with all applicable laws and regulations as well as our policies put in place for system integrators to comply, including those in respect of confidentiality, IP protection, anti-bribery and anti-kickback.

### Sales to Direct Customers

During the Track Record Period, in addition to our sales to distributors and system integrators, we also sold our products and services directly to certain other customers including: (i) for transportation solution business, such as railway bureaus and their subordinate units, (ii) for energy solution business, such as inspection and analysis service providers of power grid companies, and (iii) for urban management solution business, mainly security management and/or operation and maintenance service providers for urban management projects. We enter into direct sales relationships with these other customers as we gradually cultivated and expanded our sales coverage in addition to distributors and system integrators as we enhanced our presence in the various industry verticals. In certain cases, we may need to participate in a tender and bidding process to be engaged by such direct customers, in particular by railway bureaus and their subordinate units. During the Track Record Period and with respect to our direct sales to railway bureaus and their subordinate units for rail transit solution business, we had participated in eight, 13, 19, and 16 of such tender and bidding process in 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, out of which we had won five, eight, ten and ten of such bidding process, respectively, representing an overall bidding success rate of around 60% for the Track Record Period. To the best knowledge of our Directors, our rail transit products and solutions sold to direct customers were not subject to any centralized procurement by relevant authorities during the Track Record Period and up to the Latest Practicable Date. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we had nine, 11, ten and nine railway

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## BUSINESS

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bureaus and their subordinate units as direct customers, respectively. Starting from 2024, we also started to sell home security devices to overseas consumers through our online store on the international e-commerce platform of Amazon. See “— Business Model — Urban Management Solution Business.”

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we generated revenue from direct customers in the amount of RMB23.7 million, RMB132.6 million, RMB185.9 million, and RMB169.7 million, respectively, representing 9.4%, 36.5%, 46.1%, and 73.2% of our total revenue, respectively. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we generated revenue from a total of 12, 15, 17 and 16 direct customers, respectively, out of which: (a) 11, 13, 11 and nine were in relation to our transportation solution business, (b) one, one, three and three were in relation to our energy solution business, and (c) nil, one, three and four were in relation to our urban management solution business (excluding overseas sales), respectively.

In line with the market practice, direct customers generally do not enter into framework or long-term agreements with us. They typically enter into sales contracts with us on an as-needed basis. Key terms of the sales contracts we enter into with major direct customers in the PRC are summarized as follows:

<b>Purchasing amount and pricing</b> . . . . .	The purchasing amount and pricing for each type of products are subject to negotiation and stipulated in each sales contract. The prices are typically at fixed unit prices.
<b>Product quality standards</b> . . .	Product quality standards shall generally conform to applicable national, industry, or enterprise standards, or to the terms mutually agreed upon with the customer.
<b>Payment</b> . . . . .	Customers are required to make payment for the contract price within the agreed credit term after successful acceptance and installation, except that a small portion of the contract price, generally ranging from 3% to 10%, shall be held as a quality assurance deposit which shall be paid to us following the expiration of the product warranty period. Payment is generally through wire transfers.
<b>Transportation and delivery</b> .	We shall be responsible for delivering the products to the customer’s designated location within agreed period of contract signing.

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## BUSINESS

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<b>Transfer of risks</b> . . . . .	The risks of loss or damage transfer to the customer upon delivery or more specifically upon the issuance of acceptance receipt by the customer with respect to such delivery.
<b>Customer support</b> . . . . .	We take on customer support in respect of on-site installation, technical guidance, personnel training, maintenance, and upgrades for technical improvements.
<b>Product warranty and exchange</b> . . . . .	A product warranty period ranging from one to three years is typically granted by us to the customer. If the products experience issues impacting its normal use during the warranty period and cannot be repaired, we are obliged to replace the products within agreed period upon receiving notice.
<b>Termination</b> . . . . .	Besides natural expiration upon the contractual term, the agreement may be terminated by either party due to the other's uncured breaches or force majeure events. Failure by the customer to pay entitles us to terminate the agreement.

During the Track Record Period, we entered into a sales contract to provide rail transit products to the infrastructure construction branch of a railway bureau customer. As agreed in the contract, the payment for the sale was subsequently settled on behalf of the infrastructure construction branch by the engineering command unit, being another branch of this railway bureau customer. To the best knowledge of our Directors, such payment was made primarily due to the internal arrangements of the railway bureau customer.

### Pricing

Our sales personnel collate and analyze customer requirements and commercial terms such as pricing, which are being discussed in internal sales department meetings before submission for approval by the regional sales directors and head of the sales and marketing department. Our sales personnel comprehensively evaluate various pricing components, integrate our actual conditions and sales strategies, and preliminarily formulate sales prices and related information. We uniformly issue selling prices to distributors, and quotations relating to sales to distributors must be reported to the sales department for filing and to ensure pricing uniformity.

Our pricing for products and solutions is primarily determined by general factors including types and functions of products, scope of services, costs of procuring hardware and components, sales and marketing expenses, the technological sophistication and advantages of our products, prices of our competitors' offerings and overall market demand.

We also have varied pricing considerations for our different business lines, including:

- **Transportation solution business:** The prices for our rail transit products are determined by considering factors including the proportion of hardware-related costs involved (whether only integrated servers are being sold or there are more front-end hardware devices involved), any research and development expenses, sales and marketing expenses, scope and level of aftersales services, prices of comparable products by competitors, etc. Sometimes the actual selling prices may fluctuate within a range of plus or minus 20% of the market prices of similar products. In addition, for our rail transit solution business which involves sales to distributors, we may have relatively more favourable pricing for such distributors as compared to other customers depending on the type of products sold, our relationships with the relevant distributors and our specific sales and marketing strategies at the time with respect to the development of sales channels through such distributors. For sales to direct customers, we may also take into account any tender and bidding process involved with respect to pricing.
- **Energy solution business:** For such business which involves sales of AI-based software products (such as those in connection with integrated grid construction projects), we generally consider factors including specific type of software products provided and development costs involved (including the level of engagement of our self-developed technologies and knowhow and any level of customization). The prices for energy products are generally determined on a cost-plus basis with a markup typically aimed to be ranged from 15% to 40% on the cost basis.
- **Urban management solution business:** For such business which typically involves more varied and comprehensive hardware-dominant procurement costs than other businesses, we would take into account the number and types of hardware components and/or terminal devices that we need to procure as elements of our solutions and their respective costs. Additionally, we also consider the complexity of integrating these devices into customer's specific on-site venue (to the extent needed) which may necessitate tailored configurations and deployment support. The prices for urban management products are generally determined on a cost-plus basis with a markup typically aimed to be ranged from 20% to 40% on the cost basis.

**CUSTOMERS AND CUSTOMER SUPPORT****Sales and Marketing**

During the Track Record Period, our sales were made to three types of customers, namely (i) distributors, (ii) system integrators, and (iii) direct customers. See “— Sales Channels” for further details.

As of June 30, 2025, our sales and marketing team consisted of 20 employees with extensive industry experience and in-depth expertise of our AI-based products and solutions. Our sales team generally sets annual and quarterly sales plans for effective and systematic execution. Our sales team holds an annual year-end meeting to determine the overall annual sales plan for the next year, including sales tasks, assessment indicators and more detailed sales plans, taking into consideration of the customers types, market conditions, latest changes in the industry and competitors. We have implemented strict policies and internal procedures to regulate our sales team and their conduct during the sales of our products and solutions, and ensure their compliance with relevant regulations.

Our sales efforts are centered on the needs of our customers. We believe the most effective way of marketing is to continually enhance our capabilities to address customers’ unmet demands and highlight the effectiveness of our products and solutions to enhance brand recognition and promoting our products and solutions. Our sales and marketing team is also responsible for developing the marketing plans, analyzing the position of our products and solutions, maintaining existing customers and developing new customers and pricing.

Given our solid industry presence and high-caliber products and solutions, we acquire customers primarily through word-of-mouth referrals by our customers, other business partners and industry peers in addition to our in-house sales force. Our sales and marketing team take the responsibility of conducting in-depth communication with our potential customers and demonstrate the professionalism of our products and solutions through showcasing outstanding cases especially our industrial application deployment abilities, so as to enable our potential customers to fully comprehend and recognize our capabilities. We leverage on the collaborations among our sales team, third-party distributors and system integrators to identify customers’ needs. To enhance and promote our products and solutions, particularly when we enter into a new geographic area, market or industry vertical, we often cooperate with distributors or system integrators in that industry to demonstrate our technological capabilities and the advantages of our products and solutions. We then leverage such expertise for other customers in the same industry, thereby further penetrating the vertical. We also attach great importance to maintaining existing customer relationships, and through the recognition from existing customers, we conduct low-cost promotion in the industry our customers involved in, thereby continuously replicating success in similar or related application scenarios within or in connection with such industry for achieving wider sales. We offer customers commercially viable solutions that are quick-to-deploy on demand in the same or adjacent industries or application scenarios, which proved to be an effective go-to-market strategy to broaden the application scenarios of our solutions in a relatively short span of time. A case in point is the

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## BUSINESS

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NBK Industry Application Platform which is a general-purpose tool platform addressing customers' common needs and representative scenarios especially in the area of urban management, serving as a gateway for us to reach clientele in other application scenarios. Furthermore, for our rail transit solution business and in addition to railway bureaus, we are also establishing business contact with major railway construction companies and design institutions in an effort to expand our clientele for more business opportunities. In connection with our energy solution business and urban management solution business, we have also built, through letters of intent or other communication, a reserve of some key business partners such as service providers or institutions affiliated with, or undertaking AI related projects for, public sector customers. The aforementioned sales and marketing and customer acquisition strategies not only have helped us establish business relationship with customers (including our top five customers in each year or period of the Track Record Period) within a short period of time, but also diversified our customer base to mitigate any risks arising from concentration of business from any major customer and are expected to continuously help us attract and source customers in the future.

Our customers are procured primarily via responding to invitation to quote or solicitation based upon our wide reputation and industry connections established through offering of solutions for years and participation in industry events. We have been and also plan to further enhance our industry presence through participation of industry events, including drafting of industry standards, joining in of industry associations, advertisements on industry magazines and attendance of industry exhibitions, forums and seminars. We also procure customer engagements through tender and bidding process, especially with respect to our sales to direct customers such as railway bureaus and their subordinate units for our rail transit solution business. Such tenders submitted would then be assessed based upon applicants' qualifications, skills and experiences to evaluate if they are capable of fulfilling the requirements as stipulated in the tender documents together with their tender price.

### Customer Credit Terms

The following table sets forth the general range of credit terms granted by us to customers by business line and by customer type:

	<u>Transportation Solution</u>	<u>Energy Solution</u>	<u>Urban Management Solution</u>
<b>Distributors . . . . .</b>	Generally 12 months from product acceptance by customers	N/A	N/A



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## BUSINESS

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	<u>Transportation Solution</u>	<u>Energy Solution</u>	<u>Urban Management Solution</u>
<b>System Integrators . . . . .</b>	Up to six months from product acceptance	Within one month of product acceptance and may at times be subject to payment by end customers	Up to 12 months from product acceptance and some are subject to payment by end customers
<b>Direct Customers . . .</b>	Up to 12 months from product acceptance	Up to 12 months from product acceptance	Up to 10 months from product acceptance

We believe that such credit terms granted to customers are appropriate and, as advised by our industry consultant, CIC, is also generally in line with industry practices.

### Top Five Customers

Sales to our five largest customers in each year or period of the Track Record Period, which were mainly distributors for our transportation solution business and direct customers and system integrators for energy solution business and urban management solution business, amounted to RMB154.3 million, RMB312.5 million, RMB268.3 million, and RMB171.8 million, respectively, representing 61.1%, 85.9%, 66.6% and 74.2% of our total revenue for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively; sales to our largest customer in each year or period of the Track Record Period amounted to RMB70.3 million, RMB111.0 million, RMB113.4 million, and RMB116.2 million, respectively, representing 27.8%, 30.5%, 28.2% and 50.1% of our total revenue, respectively. As of the Latest Practicable Date, we had established ongoing business relationships with our five largest customers in each year or period of the Track Record Period for more than three years on average. We typically became acquainted with, established business relationships with, our top five customers in each year or period of the Track Record Period by way of participation in industry exhibitions, forums and seminars, referrals from our existing customers and other business partners.

During the Track Record Period, we had relatively high contribution of revenue from our five largest customers in each year or period of the Track Record Period. Such concentration of top five customers in each year or period of the Track Record Period was mainly attributable to: (i) for our transportation solution business, the steady revenue contribution from some of our major distributors, and (ii) for our energy solution business and urban management solution business which are generally project-based and may have projects of varying sizes, the revenue contribution from the larger projects of our customers. For further details, see “Risk Factors — Risks Related to Our Business and Industry — We had a concentration of customers during the Track Record Period.” According to CIC, such a relatively high concentration of top five customers in each year or period of the Track Record Period aligns with industry norms in

## BUSINESS

China when comparing with our peer companies. We intend to further diversify our customers going forward by ways of developing and commercializing our newer businesses, such as those targeting areas of city transportation, airport and chemical engineering, as we replicate the successful industry experience and knowhow from our more established businesses. We will also continue to enhance our sales and marketing strategies, together with optimized product functionality and versatility with a view to reaching out to the diverse needs of expanded clientele. For further details on how we mitigate the risks of customer concentration and our related go-to-market strategies, see “— Customers and Customer Support — Sales and Marketing.”

We typically grant our five largest customers in each year or period of the Track Record Period a credit term of up to 12 months. In some cases with sales to system integrators, the payment term is subject to the payment timing of end customers to the system integrators in the first place. For further details on customer credit terms, see “— Customers and Customer Support — Customer Credit Terms.”

The following tables set forth details of our top five customers in each year or period of the Track Record Period:

Rank	Customer	Customer type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services provided by us	Sales amount (RMB'000)	Percentage of total revenue (%)
<b>For the six months ended June 30, 2025</b>						
1.	Customer K	Direct Customer An information technology products and services provider providing design and R&D, manufacturing, and sales services, established in China in 2022.	2025	Software and hardware integrated solutions for urban management solution business	116,189	50.1
2.	Customer E	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2017.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	19,292	8.3

## BUSINESS

Rank	Customer	Customer type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services provided by us	Sales amount (RMB'000)	Percentage of total revenue (%)
3. . .	Customer C	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2014.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	16,106	7.0
4. . .	Customer D	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2021.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	10,088	4.4
5. . .	Customer L	Direct Customer An information technology products and services provider offering digital transformation consulting, customized software development, network integration in China, established in 2005.	2025	Technology Services for energy solution business	10,077	4.4
<b>Total.</b>					<u>171,752</u>	<u>74.2</u>

## BUSINESS

Rank	Customer	Customer type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services provided by us	Sales amount (RMB'000)	Percentage of total revenue (%)
<b>For the year ended December 31, 2024</b>						
1. . .	Customer B	Direct Customer An information technology products and services provider providing operation and maintenance, and intelligent analysis services to power grid companies and urban management projects in China, established in 2023.	2023	Software and hardware integrated solutions for energy solution business in respect of power grid inspection	113,363	28.2
2. . .	Customer J	Distributor A vehicle component-related products and services provider specializing in the manufacturing industries of railways, ships, aerospace, and other transportation equipment, established in 2008.	2024	Software and hardware integrated solutions for transportation solution business	39,929	9.9
3. . .	Customer Y	Direct Customer A comprehensive technology enterprise specializing in industrial robotics and unmanned aerial vehicles for applications including power supply industry, established in 2014.	2022	Software and hardware integrated solutions for energy solution business in respect of power grid inspection	39,823	9.9
4. . .	Customer C	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2014.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	38,053	9.4

## BUSINESS

Rank	Customer	Customer type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services provided by us	Sales amount (RMB'000)	Percentage of total revenue (%)
5. . .	Customer D	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2021.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	37,168	9.2
<b>Total.</b>					<u>268,336</u>	<u>66.6</u>
<b><u>For the year ended December 31, 2023</u></b>						
1. . .	Customer B	Direct Customer An information technology products and services provider providing operation and maintenance, and intelligent analysis services to power grid companies and urban management projects in China, established in 2023.	2023	Software and hardware integrated solutions for urban management solution business	111,009	30.5
2. . .	Customer A	System Integrator A system integrator serving power grid companies in China, established in 2021.	2022	IT operation and maintenance solutions for integrated grid construction for energy solution business	105,962	29.1
3. . .	Customer C	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2014.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	34,513	9.5

## BUSINESS

Rank	Customer	Customer type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services provided by us	Sales amount (RMB'000)	Percentage of total revenue (%)
4. . .	Customer E	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2017.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	34,513	9.5
5. . .	Customer D	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2021.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	26,549	7.3
<b>Total.</b>					<u>312,546</u>	<u>85.9</u>
<b><u>For the year ended December 31, 2022</u></b>						
1. . .	Customer A	System Integrator A system integrator serving power grid companies in China, established in 2021.	2022	IT operation and maintenance solutions for integrated grid construction for energy solution business	70,309	27.8
2. . .	Customer D	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2021.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	23,894	9.5

## BUSINESS

Rank	Customer	Customer type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services provided by us	Sales amount (RMB'000)	Percentage of total revenue (%)
3. . .	Customer C	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2014.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	23,894	9.5
4. . .	Customer E	Distributor An information technology products and services provider serving railway bureaus and railway enterprise customers in China, established in 2017.	2021	Software and hardware integrated solutions in the form of Rail Transit 4C Products for transportation solution business	21,239	8.4
5. . .	Customer G	System Integrator A system integrator serving end customers of urban management projects in China, established in 2016.	2021	Software and hardware integrated solutions for urban management solution business in respect of park management; Software and hardware integrated solutions for urban management solution business in respect of campus management	14,964	5.9
<b>Total.</b>					<u>154,300</u>	<u>61.1</u>

The material fluctuation of revenue attributable to our five largest customers in each year or period of the Track Record Period was mainly attributable to (i) the fact that our business was at a relatively fast stage of development which is in the process of expanding its customer base targeting a variety of customer types and industry verticals each being dynamic in terms of business cycles, market conditions and end customer appetites, and (ii) the project-based nature of a considerable portion of our business (especially for energy solution business and urban management solution business) which are more susceptible to shifting in changes of revenue contribution from time to time. For more details, see “— Business Model — Our Business on Project or Non-project Basis.”

For further details on salient terms of agreements we entered into with five largest customers in each year or period of the Track Record Period, see “— Business Model — Sales Channels.” All of our five largest customers in each year or period of the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, we were not aware of any information or arrangements which would lead to cessation or termination of our relationships with any of our five largest customers in each year or period of the Track Record Period. As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the best knowledge of our Directors, owns more than 5% of our issued share capital immediately following the completion of the Global Offering (without taking into account the exercise of the Over-Allotment Option), had any interest in any of our five largest customers in each year or period of the Track Record Period.

### **Customer Support**

In our ongoing efforts to enhance customer satisfaction and improve service quality, we maintain a dedicated customer support and service team that is focused on real-time problem-solving with the ultimate goal of increasing customer experience and stickiness. In addition, we also gather feedback on how to improve our solutions, respond to customer suggestions, handle any customer complaints in a timely and effective manner and take a lifecycle approach to customer support, supporting customers from onboarding, deployment, system integration, education and training, through maintenance and upgrades. Our goal is to enable our customers to focus on their business, free from diverting manpower and financial resources to system maintenance.



Our customer support and service team provides remote customer service, and our engineers provide both remote and on-site technical support depending on customers' needs and the complexity of the issue. For issues caused by third parties, we assist customers with troubleshooting and coordinate with third parties to resolve the identified issues as fast as we can. Pursuant to the agreements with our third-party suppliers who supply us with certain hardware related components and equipment that we integrate into our solutions, our third-party suppliers are responsible for quality maintenance in case of product defects and typically offer us full warranty for replacement on the hardware products affected. Such full warranty coverage typically runs for one to three years from the time of purchase by us.

### **Product Warranty**

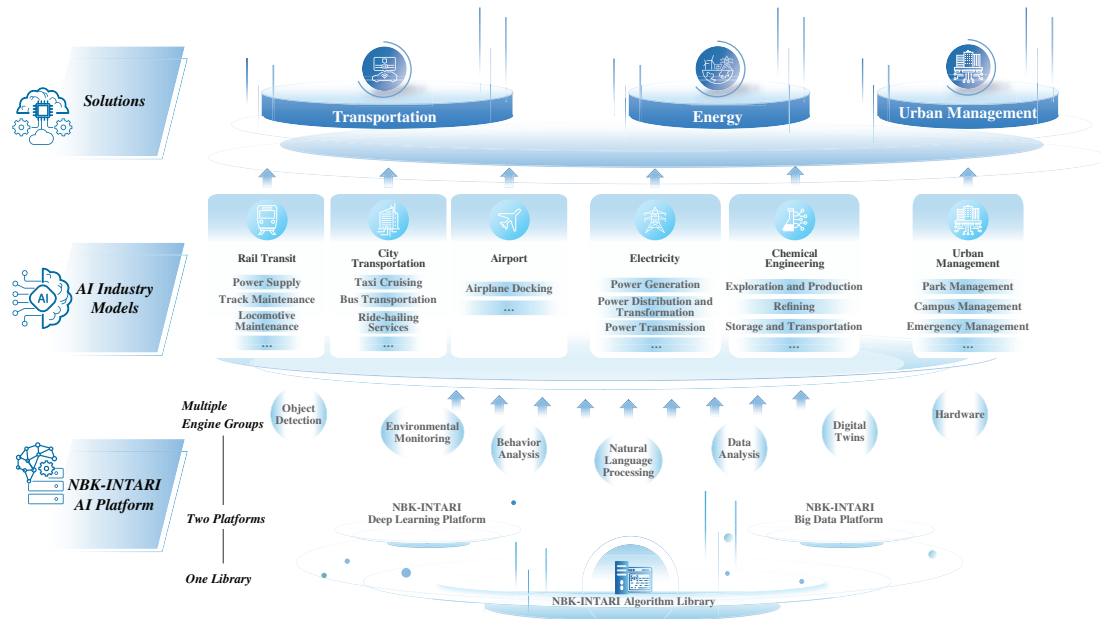
We typically offer a limited warranty for our products, with warranty periods generally ranging from one to three years from the date of sale and services provided during the warranty periods may include technical support, maintenance, problem-solving, and other specific tasks. Typically a small portion of the contract price, generally ranging from 3% to 10%, shall be held as a quality assurance deposit which shall be paid to us following the expiration of the product warranty period. If the products experience issues impacting its normal use during the warranty period and cannot be repaired, we are obliged to replace the products within agreed period upon receiving notice from customers. We typically do not accept product return from customers unless there are quality defects and such defects cannot be cured by a replacement of the product.

During the Track Record Period and up to the Latest Practicable Date, we did not experienced any material complaint or product liability or other legal claims from customers due to problems associated with the quality of our products, or any material sales returns or refunds.

For further details on our risk exposure to product liability claims, see “Risk Factors — Risks Related to Our Business and Industry — We may be subject to product liability claims if our products or services contain defects. We could incur significant expenses to remediate such defects, as a result, our reputation could be damaged and we could lose market shares, and our financial condition and results of operations may be negatively affected.”

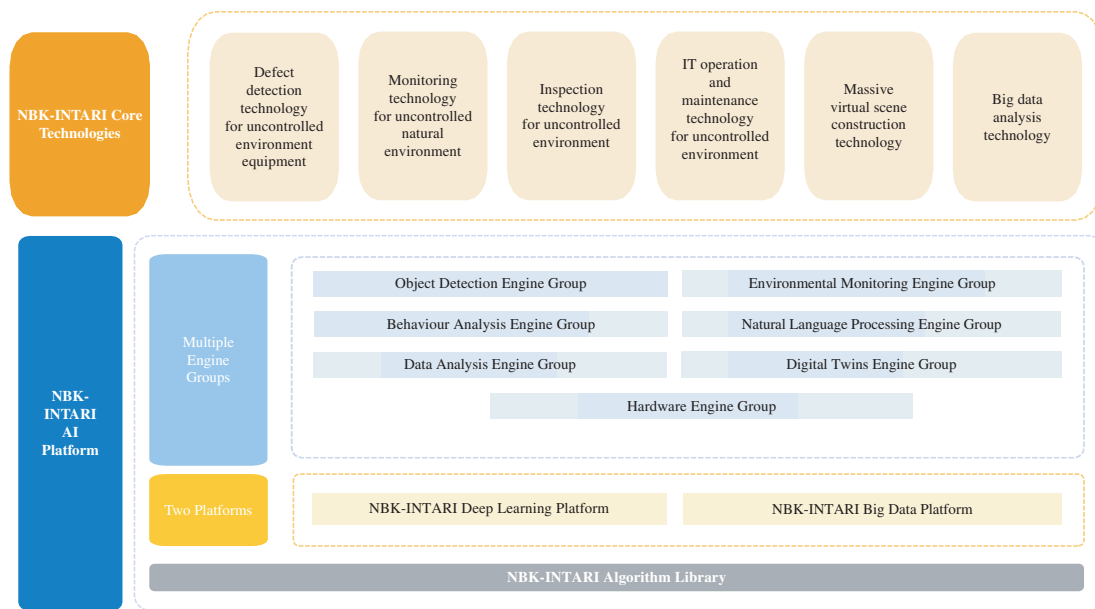
## CORE TECHNOLOGIES AND IT INFRASTRUCTURE

Our three-layered business model consists of the “NBK-INTARI AI Platform — AI Industry Models — Products and Solutions.” The NBK-INTARI AI Platform is the anchor of our business model and it possesses the underlying general technologies for our business to generate different AI industry models. An AI industry model is the aggregate of algorithm modules designed and refined with business data and industry insights to address specific challenges for a singular business scenario. Serving as a bridge between the NBK-INTARI AI Platform and our products and solutions, the AI industry models are empowered by our underlying technology platform and in turn empower the business scenarios across different industries, enabling the rapid generation and development of products and solutions. As these AI industry models interconnect and synthesize with one another, we are able to provide software and hardware integrated solutions to address customer needs in more complex and multi-dimensional business context. The following diagram illustrates our business model in further details:



### The NBK-INTARI AI Platform

We have established a core technology infrastructure based on our NBK-INTARI AI Platform. Our NBK-INTARI AI Platform consists of “One Library — Two Platforms — Multiple Engine Groups” (「一庫–兩平台–多引擎組」), being (i) one algorithm library, (ii) one platform for big data analysis and the other for deep learning, and (iii) multiple groups of algorithm modules with each group featuring a different function covering object detection, environmental monitoring, behaviour analysis, natural language processing, etc. This forms an integrated and unified AI core technology platform, producing a series of industry-leading core technologies, and has provided solid support to our AI products and solutions across multiple industries. The following diagram illustrates the architecture of our NBK-INTARI AI Platform:



### NBK-INTARI Algorithm Library

The algorithm library of our NBK-INTARI AI Platform encompasses our years of accumulated core algorithm modules in fields of AI, digital twins (being the simulation of behavior of a digital replica or virtual model of a physical object or system) and hardware and equipment for application in our business. It primarily includes automated auxiliary data annotation algorithms (自動化輔助數據標註算法), video structuring and frame extraction algorithms (視頻結構化標註及切幀算法), monocular distance and speed measurement algorithms (單目測距測速算法), high-speed motion video key marker automatic annotation algorithms (高速運動視頻關鍵標識物自動標註算法), image-based curve line detection and extraction algorithms (基於圖片的曲線線路檢測及提取算法), and 3D model automatic reconstruction algorithms (三維模型自動重構算法).

In particular, the monocular distance or speed measurement algorithms use a single camera to achieve distance and speed measurements that typically require two cameras, reducing the need for advanced hardware and increasing the potential for utilization of existing equipment. This is typically applied in our rail transit products such as catenary safety inspection system (a “**Rail Transit 2C Product**”) and beyond visual range train operation safety assistance equipment. The video structuring and frame extraction algorithms can, during data cleaning and preprocessing, automatically extract frames from video data and perform preliminary automatic tagging of objects of interest within the video, thereby increasing efficiency in handling large volumes of video data and reducing the cost of manual annotation. This is mostly applied in our Rail Transit 2C Products. For more details on such products, see “— Business Model — Transportation Solution Business — Rail Transit Solution Business — Products and Solutions.”

3D model automatic reconstruction algorithms can generate real-time 3D models that reflect dynamic data based on a library of static structural models and dynamic data. It can be used to improve the efficiency of tasks involving the mass production of virtual images or videos and is also applicable to real-time 3D presentations for simulation tasks.

### ***NBK-INTARI Big Data Platform***

The NBK-INTARI Big Data Platform is a core underlying component in the NBK-INTARI AI Platform architecture, providing foundational data services for the NBK-INTARI Deep Learning Platform and the NBK-INTARI cross-industry AI engine groups. The NBK-INTARI Big Data Platform achieves the full lifecycle process of the collection, cleansing, storage, convergence, integration, modelling, and analysis of multi-source, multi-dimensional, and multi-type data, which includes: machine vision-related datasets, digital twinning-related datasets, natural language processing related datasets and simulation-related datasets. Furthermore, it provides technical support for knowledge bases and knowledge graphs based on the foundational data platform.

The NBK-INTARI Big Data Platform consists of a data storage and management module, a data preprocessing module, a data processing module, a data analysis module, and a data service module. The data storage and management module provides unified storage for multi-source and multi-type data and annotate data generated during the data processing lifecycle, managed in thematic directories, supporting multi-type storage engines. The data preprocessing module offers services for cleaning and standardizing raw data, providing targeted automated, semi-automated, and human-machine collaborative processing components for different types of datasets. The data processing module provides key data processing capabilities such as data annotation, data enhancement, and data generation. The data analysis module offers real-time data query capabilities, allowing flexible queries of platform-stored data.

### ***NBK-INTARI Deep Learning Platform***

The NBK-INTARI Deep Learning Platform is a comprehensive “data-training-deployment” closed-loop production support platform for deep learning algorithms. It offers a one-stop service for the research and development of deep learning algorithms, assisting R&D personnel in building AI production environments more conveniently and flexibly, and releasing resources flexibly. It establishes a standardized algorithm iteration process and provides a one-stop service for deep learning algorithm development, meeting the needs of industrial-grade AI capability research and development, deployment, and adaptation to specific industry business requirements.

The production iteration process of algorithm applications in the NBK-INTARI Deep Learning Platform mainly includes the following stages: data collection and annotation for algorithm training purposes, model training, model testing and evaluation, and model deployment. Based on the above basic stages and the characteristics of deep learning algorithm applications, the deep learning platform is divided into two underlying functional modules, being the storage module and the container module, and five business functional modules, being the dataset management module, the model library, the model training module, the model testing module, and the model deployment and display module.

### ***NBK-INTARI Cross-Industry AI Engine Groups***

#### *Object Detection Engine Group (對象檢測引擎組)*

The Object Detection Engine Group, based on the machine vision technology in AI, conducts analysis of facilities and equipment in terms of feature extraction, object positioning, detection and classification. The Object Detection Engine Group integrates image data and video data, processing through the image content parsing engine, object attribute detection engine, and historical comparison engine, providing the upper layer with structured machine vision recognition result data that can be directly used by industry solutions. It has a wide range of application scenarios for industry applications that require periodic automatic inspection and testing of a large number of facilities and equipment, such as equipment defect and damage inspection in rail transit and power grids. The Object Detection Engine Group has been successfully applied in the fields of rail transit operation and maintenance and power inspection.

### *Environmental Monitoring Engine Group (環境監測引擎組)*

The Environmental Monitoring Engine Group, based on the machine vision technology in AI, conducts analysis of environmental anomalies. The Environmental Monitoring Engine Group, based on image data, video data, sensor data, and scalable environmental monitoring data models, processes through the environmental identification engine, combined with the environmental monitoring data processing brain, or engine, to provide the upper layer with environmental monitoring result data that can be directly used by industry solutions. It has a wide range of application scenarios for industry applications that require continuous automatic monitoring, identification, and alarms for a large number of key area environments, such as for the rail transit railway environment monitoring.

### *Behavior Analysis Engine Group (行為分析引擎組)*

The Behavior Analysis Engine Group, based on the machine vision technology in AI, conducts analysis of human behavior.

The Behavior Analysis Engine Group integrates image data, video data, and geographic location data. After processing through the personnel structuring engine, behavior analysis engine, repositioning engine, and crowd behavior analysis engine, it provides the upper layer with structured behavioral data that can be directly used by industry solutions. It has a wide range of application scenarios for industry applications that require automatic monitoring of a large number of personnel behaviors and carry out analysis and early warning, such as the control of on-site railway workers in the rail transit field and the recognition of individual behaviors in the urban management field.

### *Natural Language Processing Engine Group (自然語言處理引擎組)*

The Natural Language Processing Engine Group includes technical components that handle tasks related to natural speech and natural language based on industry models. It is designed to assist with decision-making solutions across various industry sectors.

### *Data Analysis Engine Group (數據分析引擎組)*

The Data Analysis Engine Group includes a collection of technical components that process and analyze data. It supports the large-volume data processing needs of various industry sectors, providing a comprehensive suite of technical components for data aggregation, fusion, storage, modeling, analysis, and maintenance.

### *Digital Twins Engine Group (數字孿生引擎組)*

The Digital Twins Engine Group consists of simulation virtual engines, 3D reconstruction engines, and BIM engines. It provides automated or semi-automated generation and maintenance of a vast array of digital twins models and simulation models, as well as the creation and maintenance of building information models.

The Digital Twins Engine Group can process a variety of data including spatial geographic data, spatial image data, spatial video data, remote sensing image data, and BIM models. The engine group can process through the 3D reconstruction engine, and panoramic mapping engine, to provide the upper layer with standard format panoramic maps, and 3D models for automatic generation and rapid updates. At the same time, through the digital synchronization engine, it connects to a large amount of infrastructure layer data, constructing a virtual reality network. It can build industry applications that are based on a wide range of POI, or point of interest, geographic information systems and real scene 3D virtual digital platforms within large areas.

### *Hardware Engine Group (硬件引擎組)*

The Hardware Engine Group is based on hardware models that support AI hardware products and industry-specific hardware solutions across various sectors. The general model architecture within the hardware framework consists of four main layers: the perception layer, network layer, data layer, and comprehensive control layer.

Based on this four-layer structure, the Hardware Engine Group combines the needs of different industry business scenarios. It can form independent hardware products or connect with other major models on the NBK-INTARI AI Platform to form integrated solutions.

### *Empowerment of AI Industry Models*

Our successful deployment of AI industry models in specialized applications is attributable to the following key features of the NBK-INTARI AI Platform:

- **Modularized Algorithms.** Our NBK-INTARI AI Platform has modularized and modeled the core technologies, industry experience, and customer service experience accumulated by us over the years. This includes algorithm models such as binocular machine vision algorithms (雙目機器視覺算法), feature matching defect detection algorithms (特徵匹配缺陷檢測算法) based on semi-self supervision, image fusion algorithms (圖像融合算法) for improving image clarity, scene space algorithms (場景空間算法) for constructing virtual panorama scenes, natural disaster alert algorithms (自然災害預警算法), natural language semantic analysis algorithms (自然語言語義分析算法), outdoor motion detection algorithms (室外運動目標檢測算法) in rainy and snowy weather, and monocular vision distance measurement algorithms (單目視覺測距算法模塊) based on high-precision object detection. Such algorithm modules and models have enabled us to formulate solutions for various industry verticals and application scenarios in a speedy and cost-efficient manner simultaneously promoting economies of scale and creating flywheel effects.

- **Optimized Self-iteration.** Our independently developed NBK-INTARI Deep Learning Platform is a complete support platform for deep learning algorithms through the closed-loop process of “data-training-deployment”. It aims to support in-house research and development of deep learning-related algorithms and assist R&D staff to build AI production environments and release resources more conveniently and flexibly. It establishes a standardized algorithm iteration process involving data collection and annotation, training, testing, evaluation and deployment of models. With the provision of a one-stop service for the research and development of deep learning algorithms, the platform is well-equipped to meet the needs arising from the development and deployment of industrial-grade AI capabilities and adaptation to business requirements of specific industries.
- **Multiple Technologies Integration.** Our NBK-INTARI Algorithm Library includes the core technologies and algorithms accumulated by us over years in the fields of machine vision, big data analysis, and digital twins. The NBK-INTARI AI Platform can also synergize multiple core technologies by integrating their respective core strengths. For instance, based on the pros and cons of traditional processing of images and deep learning-based processing of images, we have designed a target detection algorithm model that merges both approaches of image processing which achieves real-time target detection with relatively high defect detection rate of more than 90%.

### Our Core Technologies

Based on the NBK-INTARI AI Platform, we have independently developed multiple core AI and related technologies, covering underlying algorithms, software and hardware products, and integrated solutions. These key technologies include (i) defect detection technology for equipment in uncontrolled environment, (ii) monitoring technology for uncontrolled natural environment, (iii) inspection technology for uncontrolled environment, (iv) IT operation and maintenance technology for uncontrolled environment, (v) massive virtual scene construction technology, and (vi) big data analysis technology.



## BUSINESS

The following table sets forth our key technologies in further details:

No.	Name	General Description	Technological Advantages and Characteristics	Representative Applications in Our Products	Source of Technology as Utilized in Our Products
1.	Defect detection technology for equipment in uncontrolled environment (非受控環境設備驗損技術)	Technology for a large number of facilities and equipment (such as catenary checking in the rail transit industry, power transmission lines in the energy industry, etc.) dispersed in the vast natural geographical environment under uncontrolled image-generating conditions	<p>(1) <b>Component coverage:</b> Relatively high component coverage in the segment of equipment defect detection in rail transit and energy industries, covering large number of major categories and minor components in rail transit industry monitoring and inspection products and energy industry power transmission line defects detection products.</p> <p>(2) <b>Recognition accuracy:</b> the average batch defect detection rate is typically higher than 90%.</p>	<p>Catenary checking system (接觸網懸掛狀態缺陷識別系統)</p> <p>Power grid inspection (電網巡檢)</p>	Independently self-developed

## BUSINESS

No.	Name	General Description	Technological Advantages and Characteristics	Representative Applications in Our Products	Source of Technology as Utilized in Our Products
2. . .	Monitoring technology for uncontrolled natural environment (非受控自然環境監測技術)	Technology for scenarios such as natural disasters (rockfalls, floods, mudslides, fires), foreign object intrusion, and illegal personnel intrusion in the vast natural geographical environment under uncontrolled image-generating conditions	<p>(1) <b>Recognition distance and wide range:</b> precise recognition of various natural disasters within a range of 200 meters.</p> <p>(2) <b>Degree of limitation on recognition effects:</b> high recognition accuracy can be achieved in restricted environments such as daytime, nighttime, and rainy conditions.</p> <p>(3) <b>Support for virtual scene verification:</b> for critical and low-frequency abnormal scenarios such as natural disasters, which cannot be verified through real situations, such technology can provide high-fidelity virtual disaster images or videos generated automatically based on specific scenarios to verify the recognition effect.</p>	NBK Industry Application Platform (NBK 行業應用平台)	Independently self-developed
3. . .	Inspection technology for uncontrolled environment (非受控環境巡檢技術)	Integrated laser sensing technology, positioning technology, mechatronics technology, remote sensing technology, dynamic high-definition imaging technology, image recognition technology, OCR technology, etc., to highly integrate algorithms and hardware	<p>(1) <b>Adaptability to all-weather environments:</b> capable of adapting to environments such as daytime, nighttime, rainy, and foggy conditions.</p> <p>(2) <b>Degree of intelligence:</b> automatic operation, automatic positioning, automatic rotation of the shooting head, and automatic photography.</p>	Precision inspection robot (精密巡檢機器人)	Independently self-developed

## BUSINESS

No.	Name	General Description	Technological Advantages and Characteristics	Representative Applications in Our Products	Source of Technology as Utilized in Our Products
4.	IT operation and maintenance technology for uncontrolled environment (非受控環境IT運維技術)	Technology for massive IT Data Centers and internal facilities and equipment, achieving automatic asset inventory, automatic generation of digital twins models, and automatic asset inspection and alarming	<p>(1) <b>Data Center management and operation and maintenance under non-controlled premises:</b> no need for high-cost professional cameras or the addition of high-cost inspection robots, based on regular cameras, manually taken photos, and existing front-end inspection photos to complete asset management work.</p> <p>(2) <b>3D scene automatic positioning and layout:</b> based on the pictures or videos taken by a monocular camera, achieve automatic positioning and layout of the 3D scene of the Data Center, automatically generate a 3D model of the Data Center, and automatically locate and place the recognized facilities and equipment, thereby achieving the automatic generation and maintenance of the overall 3D model of the Data Center.</p> <p>(3) <b>Automatic asset inspection and warning:</b> automatically recognize and alarm when there is a change in the facilities and equipment within the Data Center.</p>	IT Operation and Maintenance System (IT運維系統)	Independently self-developed

## BUSINESS

No.	Name	General Description	Technological Advantages and Characteristics	Representative Applications in Our Products	Source of Technology as Utilized in Our Products
5.	Massive virtual scene construction technology (海量虛擬場景構建技術)	Automation, semi-automation or human-machine collaboration for rapid and high-precision construction of massive virtual scenes	<p>(1) <b>Virtual scene construction:</b> with automation, semi-automation or human-machine collaborative virtual scene construction technology and a complete virtual scene construction workflow, connecting data interfaces of various modelling and simulation professional software, significantly reducing the construction cost and construction or operation and maintenance cycle of massive virtual scenes through the core idea of model asset libraries and plugin-based asset library, and providing key training or verification materials for solving long-tail scenario problems in machine learning.</p> <p>(2) <b>Enhancing cost-efficiency:</b> helping to reduce the construction cost and construction or operation and maintenance cycle of massive virtual scenes, providing key training and verification materials for solving long-tail scenario problems in machine learning.</p>	Diagnosis system of power supply equipment (供電設備診斷裝置)	Independently self-developed

## BUSINESS

No.	Name	General Description	Technological Advantages and Characteristics	Representative Applications in Our Products	Source of Technology as Utilized in Our Products
6.	Big data analysis technology (大數據分析技術)	Recognition effects for deep knowledge, patterns, and anomalies in data of large volume	(1) <b>Multi-dimensional proprietary algorithm library:</b> integrating data modelling, data pattern recognition, data statistics, and deep learning and other proprietary algorithms. (2) <b>Multi-source and multi-end business integration:</b> multi-source business data integration modelling and integrated analysis.	IT Operation and Maintenance System (IT運維系統)	Independently self-developed

### Our Industry Know-how

In addition to our technological capabilities, industry know-how also contributes significantly to the commercial viability of our products and solutions. Without contribution of industry know-how, our products and solutions may be of high technology but no business value. Given our core research and development mindset that is well-advised by our customers' needs and our project experiences piled up since our foundation, we have recognized the necessity of industry know-how in the process of our product development. As such, we routinely accumulate and comprehend industry know-how in the end-customer industries in which we operate and apply the same into training our AI algorithms and optimizing the industry-specific AI industry models, which has been proved to be crucial in putting our resources into right direction and substantially ensured the performance of our products and solutions. To accelerate our development processes, we also use our industry know-how to evaluate the commercial viability of our research and the competitiveness of our technologies, products and solutions. Input from our industry know-how has therefore focused our research and development efforts on areas with potential commercialization opportunities, and for our resources to be efficiently utilized.

**RESEARCH AND DEVELOPMENT**

Our research and development efforts focus on developing and implementing our core technologies and solutions in more industrial application scenarios, continuously reducing the costs and cycles of the specific implementation process, and enhancing the universality and scalability of the solutions that we offer.

As AI and related technologies continuously undergo rapid advancements, our abilities to develop new technologies, design new solutions and enhance existing ones are critical to maintaining our market position, which depends to a large extent on our continuous commitment to research and development. As a result, we have invested considerable resources in our research and development activities. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our research and development expenses amounted to RMB44.5 million, RMB56.6 million, RMB59.6 million, and RMB22.7 million, respectively, which accounted for 17.6%, 15.6%, 14.8%, 9.8% of our total revenue, respectively. For details of our research and development expenses during the Track Record Period, see “Financial Information — Description of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Line Items — Research and Development Expenses”. During the Track Record Period, all of our research and development expenditures were expensed. We have been conducting research and development on technologies in multiple areas, which has been demonstrated by various awards, honors and recognition that we were granted for our innovative endeavors and technological capabilities. For details, see “— Awards and Recognitions”. In the future, we will continue to invest in research and development activities to enhance our technological capabilities and solution development.

Our R&D team is primarily responsible for (i) the research and continuous upgrading of underlying technologies, including the study of basic technology theories, the development of core key technologies, and the ongoing iteration and application upgrade of current core products; (ii) the development of the NBK-INTARI AI Platform, the AI industry models, and the development of solutions for various application fields and scenarios; and (iii) the research and testing of hardware products in various solutions and applications.

As of June 30, 2025, the total number of our research and development employees was 135 which accounted for more than two thirds of our total employees. Our research and development team consisted of employees with an average of approximately five years of industry related experience. Around two thirds of our research and development personnel as of June 30, 2025 held college degrees or above related to fields such as AI algorithms, computer sciences and information engineering.

Our core technologies for industrial application are primarily developed by our in-house research and development team. In addition, our research and development capabilities are further reinforced by our collaborations with Independent Third Parties, including with existing and potential customers and other reputable academic and public institutes.

For example, in connection with our chemical engineering solution business, we entered into a cooperation with an academician workstation of new materials for chemical engineering. The cooperation is for the academician workstation to conduct researches in support of our project development of AI products empowering the petrochemical industry (the “**Academician Workstation Research**”). The academician workstation shall be responsible for conducting research on AI and digital technology application scenarios in the petrochemical industry and providing technical support for exploring these application scenarios. We shall be responsible for providing funding for the research to cover the human resources and software and hardware equipment required for the project. As of the Latest Practicable Date, we had completed the research of the project. The Academician Workstation Research has contributed to strengthening our understanding in the cutting-edge technological advancement and insights with respect to industrial application of AI in petrochemical context. As such, we can be better equipped to embark on the project development side of our chemical engineering solution business on our own.

We believe these R&D collaboration efforts have helped us pave the way for strengthening our technological capabilities and product optimization, attracting and developing AI talents to support our rapid growth and opening up business development opportunities to potential customers. The intellectual property rights created through our R&D collaboration would in general solely be owned by us, in which case the economic interests of commercializing intellectual property belong entirely to us.

## **Outsourced Data Related Services**

During the Track Record Period, we outsourced certain data collection, cleansing, rendering and annotation services mainly in connection with our AI model training for R&D purposes. These data related ancillary services involve non-sophisticated, time-consuming and labor-intensive groundwork, providing us with annotated data that can be used as general materials in R&D activities. These data related services are generally conducted in the sequence of “data cleansing — data rendering — data annotation” and the following table sets forth such data related services in further details:

	<b>Nature of services</b>	<b>Examples</b>
<b>Data cleansing . . . . .</b>	The process of screening, de-noising and standardizing the format of raw data to eliminate invalid or non-compliant data	For data cleansing of catenary checking, the outsourced team needs to select images with acceptable clarity from a vast number of captured catenary images (e.g., discarding blurry or overexposed images) and organize them in a unified format. For example, out of 100,000 catenary images collected daily, approximately 80,000 valid images are manually selected to ensure the quality of data for subsequent model training.
<b>Data rendering . . . . .</b>	The process of adding virtual scenarios or adjusting parameters (such as lighting and weather condition) to the data, generating data that simulates real-world scenarios	For training the AI model of airplane parking, the outsourced team renders standard images with rain or fog effects (e.g., converting clear images to blurred “rainy” versions, etc).
<b>Data annotation . . . . .</b>	The process of manually classifying, bounding or semantically annotating target objects within the data to create structured AI training data	For power grid inspection, outsourced team needs to annotate components in images of power transmission and distribution lines, such as bolts and insulators. They box the locations of bolts with rectangular frames and label categories like “loose bolt” or “missing bolt,” providing training samples for the AI model.



While we have the experience and capability to conduct the relevant services ourselves without engaging such data-related service providers, we found it more cost-efficient to outsource such non-core services when and as needed to third parties so that we could focus our resources on our key R&D activities. This is mainly because:

- (a) these data related services are generally non-core and non-sophisticated services that involve low technical barriers which only require standardized operations and are easily replaceable.
  - For instance, data cleansing only requires manual screening of data according to preset rules (e.g., resolution  $\geq 1920 \times 1080$ , no motion blur), without the need for algorithm development capabilities; data rendering mostly relies on existing tools (such as image processing software) to adjust parameters, rather than developing rendering engines independently. There is no need to write code to implement physical rendering models.
  - There is a wide range of standardized annotation tools and various image rendering software available on the market for the outsourced team to use without the need to master core technologies in deep learning or computer vision.
- (b) These data related services are labour-intensive which involve massive data volume and repetitive tasks.
  - For instance, the corresponding image data volume to be processed for catenary checking reaches tens of millions. Each defect annotation requires manual operation on a per-image basis.
  - Data annotation involves repeatedly boxing the same type of objects (such as catenary bolts and power grid insulators) across tens of thousands of images. The labor intensity is similar to assembly line work and a large workforce is required to handle the task.
- (c) we are able to easily procure comparable services from alternative suppliers at similar price and terms for the following reasons:
  - (i) Abundant market supply and standardized services: These data related services are generic foundational services in the industry. There are numerous professional data service providers in the market (such as data annotation companies and image rendering studios), and their service processes (such as cleaning standards and annotation specifications) have been highly standardized and the prices are generally transparent and uniform. According to CIC, there were more than 4,000 such data related services providers in the PRC as of December 31, 2024.

- (ii) Low technical barriers leading to intense competition: These services do not require proprietary technology or exclusive tools. Outsourced team only needs basic hardware (such as computers, annotation software) and labor to conduct business, with relatively low entry barriers. Outsourced team can easily replicate the service model, leading to intense market competition and relatively more price flexibility for those procuring such outsourced services.
- (iii) Non-core nature with high replaceability: Our outsourcing needs are for basic data processing, which does not involve core algorithms or confidential data. Outsourced team only needs to execute according to instructions without in-depth technical integration and can deliver services through standardized processes. Therefore, we can easily replace such outsourced service providers or obtain equivalent quotes from similar suppliers.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our data-related service fees amounted to RMB26.0 million, RMB30.3 million, RMB23.7 million, and RMB2.9 million, respectively, which were mainly in relation to service fees paid for outsourced data collection, cleaning, rendering and annotation. For further details, see “Financial Information — Description of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Line Items — Research and Development Expenses.” During the Track Record Period, we engaged 19 data-related service providers for the provision of data collection, cleaning, rendering and annotation services and these service providers were generally technical and data-related service providers in the PRC providing services including technical development, software related services and information technical consulting, etc. For more information on the background of some of the key data related services providers, see “— Top Five Suppliers.” We enter into outsourced service contracts with data-related service providers for a term generally ranging from one to 12 months. Pursuant to these contracts, agreed service scope and service fee, generally in a lump sum fee amount, are set forth in the contracts. The data-related services shall be provided to us pursuant to our specific requirements and shall be completed within the agreed timeframe with all relevant work products delivered to us including any associated documents and materials. Each party is obliged to keep all contract-related information, including technical and commercial information, confidential. The confidentiality period may last for generally one year after acceptance of contract deliverables. A breach of confidentiality may result in a penalty on the breaching party which shall be calculated as an agreed percentage of the service fee amount. For further details on the types of data collected via these data-related service providers, see “— Data Privacy and Security — Data Source Relating to Outsourced Data-related Services.” During the Track Record Period and up to the Latest Practicable Date, there were no other past or present relationships or arrangements (business, employment, family, trust, financing, guarantee or otherwise) between the outsourced data-related service providers and our Company or its subsidiaries, their controlling or substantial shareholders, directors, supervisors or senior management, or any of their respective associates.

### DATA PRIVACY AND SECURITY

We believe data privacy and security are critical to our business operation and we are committed to complying with all applicable laws and regulations on data security and privacy. Our data are primarily processed and stored at servers located in China.

We collect and process data in connection with our business operations in the PRC as follows:

- **In-house R&D:** For purposes of in-house R&D, we use data, such as images and simulation videos of natural disasters, within the internal local area network for business model training and other related technical research and development based on internal R&D needs, including the use of data for development of the NBK-INTARI AI Platform, our AI industry models and other in-house R&D scenarios. Such data were generally either collected by ourselves from public domain by legally permissible means or obtained from third party data service providers we engage. Data processing activities for in-house R&D purposes are conducted solely within our internal local area network, without access to the Internet or involvement of any mobile internet applications.
- **External Sales:** Our data processing activities with respect to external sales are generally in relation to the R&D for external sales. Data we collect during the development phase of external sales are in large part provided by the relevant customer for use in connection with our external sales to this customer. To certain extent, we may produce ourselves, collected from public domain by legally permissible means or obtain from third party data service providers certain data, such as images of railway catenary wires or defects in power grid systems such as birds' nest and rusty spots. We do not store or have access to the data during their operation or use of our products and services. Customers collect and process all the data themselves from their use of the product and such data is also managed by the customers themselves. We are not involved in any data processing activity conducted by our customers with respect to their use of the products sold.

The project development process for external sales is processed exclusively within our internal local area network. To the extent there is any data provided by customers to facilitate the project development, such data is transmitted by the customers to us through encrypted mobile hard disks. We adopt security measures including data desensitization and isolated storage areas. We also form a backup strategy to ensure data disaster recovery capability and traceability. For further details of our data storage and protection measures, see “— Data Privacy and Security — Data Compliance Policies and Measures.”

After project completion, we would delete the data provided by customer in a timely manner according to customer requirements or store the data within an agreed period with the customer's authorization and consent to facilitate any potential after-sales services, and such data generally do not involve personal information as they are mostly copies of power poles pictures, iron towers pictures, and videos of trains in motion, etc.

Our end customers, especially for our urban management solution business, are generally enterprise customers, such as schools, industrial parks and government emergency command centers, etc. To the extent our products possess a public monitoring function, any data derived from such public monitoring is collected and processed by the relevant customers themselves when using the relevant products. We as a mere product provider does not, and is not able to, undertake the collection or processing of such data from customers' end and customers will not, and have no need to, provide any such collected data to us either. Therefore, the customers as the data processors are responsible for implementing and fulfilling their own data privacy protection obligations in this regard. As advised by our Data Compliance Advisor, the relevant data privacy laws and regulations in the PRC will not apply to us under such circumstances as we are not a data processor when providing such products.

In addition to our sales to customers located in the PRC, we also engaged in online e-commerce sales to overseas consumers during the Track Record Period. As such sales are of home security devices and do not involve our data processing activities, our Data Compliance Advisor is of the view that such sales do not involve data processing activities as defined under the applicable data compliance laws and regulations in the PRC.

- **Personal Information:** We may have access to personal information of individuals during the course of our business operations, such as personal information of employees and the personal information of key contacts (including their names, phone numbers, fax numbers, and contact addresses) specified in commercial contracts we entered into with counterparties. During the Track Record Period and up to the Latest Practicable Date, we did not collect or process any personal information of customers or other counterparties in the PRC through operating mobile internet applications, or through our official website(s).

During the course of our business relationships with third parties, we may be privy to or otherwise have access to information that is confidential in nature, and vice versa. Such confidential information may relate to trade secret, proprietary technologies, any of our or the third parties' business plans, business strategies, and upcoming projects that are not publicly known. We and the relevant third parties are generally bound by mutual confidentiality obligations under the agreements we enter into with third parties.

### **Data Compliance Policies and Measures**

Based on our business model, our data processing mainly relates to R&D process (including our in-house R&D and R&D for external sales), which is conducted within our internal local area network without access to the Internet or involvement of mobile internet applications. Additionally, we collect and process the personal information of employees, as well as the personal information of some customers and suppliers' key contacts (including their names, phone numbers, fax numbers, and contact addresses).

We have set up the head of data security, the head of network security and the head of personal information protection in accordance with the law, which are held by the director of research and development, the network administrator and the director of human resources. We have established a relatively complete data security and compliance management system based on our business and legal requirements. We have established a proper organizational structure with effective execution measures to ensure that we have the corresponding data compliance management capabilities. We have also made security level protection filings for key systems involved in our main business activities and have obtained relevant information technology service standard compliance certificates. We also take corresponding technical measures at each stage of data processing to ensure data security, with a view to meeting the requirements of applicable laws, regulations, and normative documents in all material aspects. The specific policies and measures are as follows:

#### ***Compliance Management***

We have established a data security management committee to oversee overall data security and compliance work, and a data security department as a specialized functional unit. The latter provides technical support to other departments to prevent data asset damage, tampering, or leakage.

#### ***Security Policies***

We have formulated a series of internal policies on data security and information security:

- **Group Data Security Management Measures:** These stipulate compliance and technical measures for the entire data lifecycle (collection, transmission, storage, processing, use, disclosure, and deletion), and emphasize compliance with laws and regulations during data collection.
- **Data Storage:** We have established a backup management system and database encryption specification to ensure proper storage, backup, and recovery of historical data, and timely update of database passwords.
- **Data Usage:** An account permission management system is put in place to prevent and address data security risks through permission control.

- **Comprehensive Security Management:** We have developed systems for information security, data security emergency response, and computer-room management to protect computer networks, communication systems, and information data. An emergency management system is also established to handle security risks, clarify emergency response procedures, and enhance emergency response capabilities.
- **Computer-Room Management:** External personnel must obtain approval from the director of research and development, register, and be accompanied by the network administrator when entering the computer room. No documents, tools, or instruments may be removed from the computer room without permission. External personnel are prohibited from touching equipment or reviewing materials without consent from the data security management committee.
- **Employee Personal Information Protection:** We have formulated an employee personal information protection statement to clarify the purpose, method, type, and storage period of our processing of employees' personal information, as well as the content and channels for employees to exercise their rights regarding personal information.

Other policies include data destruction specification, data security audit management requirements and specification, data security-related training policies, managerial policies for cooperating parties and external personnel, etc. Moreover, we have obtained the “Information Security Management System” certificate, indicating compliance with the GB/T22080-2016/ISO/IEC27001:2013 standard.

### *Measures to Implement Security Policies*

We have taken the following data security and compliance management measures to implement these security policies:

- **Regular Confirmation:** The person in charge of data security in each business department prepares quarterly data security work confirmations, covering data usage, storage, backup, etc., to ensure the implementation of security technical measures, compliance assessments, and inspections.
- **Network Monitoring:** We monitor and record the operation status of the internal local area network in a timely and accurate manner and retain network logs for at least six months.
- **Employee Training:** Regular internal and external data security education and professional training are organized for employees to enhance their data security awareness.

- **Compliance Audit:** A dedicated data — compliance auditor conducts regular audits of the company’s data — processing activities to ensure regulatory compliance.
- **Emergency Drills:** Department heads regularly organize internal data security incident emergency drills to improve emergency response capabilities and cultivate employees’ data security awareness.
- **Data Backup:** We have developed backup strategies, frequencies, and methods to ensure data disaster recovery capabilities and traceability.
- **Confidentiality Agreements:** Confidentiality agreements are signed with employees upon onboarding and departure.

### ***Data Security Protection***

#### *(1) Information System Security Level Protection Filing and Other Certifications*

We have made filings of information system security level protection to the PRC authorities of which our catenary checking system and diagnosis system of power supply equipment were classified at Level 2, and our NBK-INTARI AI Platform was classified at Level 3.

In addition, we have obtained the certificate of “Information Technology Service Management System” certifying that our relevant information technology service management activities comply with the ISO/IEC 20000-1:2018 standard. We have also obtained the certificate for “Information Technology Service Standard Compliance” whereby we were assessed at Level 3 in the field of operation and maintenance. For further details, see “— Licenses and Permits.”

#### *(2) Technical Measures*

We have implemented the corresponding technical means to ensure the security of data collection, transmission, storage and usage. Some of the technical measures are summarized as follows:

- **Data Collection:** Obtain third-party data via encrypted mobile hard disks offline and encrypt some data.
- **Data Storage:** Build an internal local area network with an internal monitoring system for data storage. Classify and grade business department data, isolate the data storage area, and encrypt the database.

- **Data Use and Processing:** Account permission management adheres to the principle of least privilege. Employees are only granted the minimum access rights necessary to complete their work. Regular audits are conducted on the permissions of system employees and the usage of temporary accounts, and permission records are updated accordingly. Data is generally transmitted through the internal local area network or by offline copying via mobile hard drives.
- **Outsourced Processing:** Manage accounts and permissions for external party data access, and control physical access. Firewall, intrusion detection system (or IDS), and other devices and authentication methods should be used to monitor and restrict the access of external personnel.
- **Data Transmission:** Use verification or cryptographic technologies to ensure data integrity and confidentiality during transmission.

Our internal control consultant has reviewed our relevant data privacy and security related policies and procedures and identified no material deficiencies as of the Latest Practicable Date.

### **Data Source Relating to Outsourced Data-related Services**

During the Track Record Period, we outsourced certain data collection, cleansing, rendering and annotation services to some third-party data-related service providers. As advised by our Data Compliance Advisor, sale and purchase of data generally refer to data processing activities such as commissioned collection and provision of data. Applicable laws and regulations in the PRC related to such sale and purchase of data mainly include Data Security Law, Cyber Security Law, the Civil Code and Personal Information Protection Law of the PRC. Details of the types of data collected via these data-related service providers are as follows:

- **In-house R&D:** The types of data collected from third parties in connection with our in-house R&D mainly include foreign object intrusion videos, aircraft taxiing videos, natural disaster simulation videos, natural disaster images, voice dialogue data, public text data, text translation data, 3D models, etc.
- **External Sales:** The types of data collected from third-party data-related service providers in connection with our external sales mainly include train operation video data, freight image data, and utility pole pictures data and tower pictures data, etc.
- **Personal Information:** We collect employees' personal information for employee management and, for the purpose of fulfilling commercial contracts, we specify the personal information of key contacts in the commercial contracts we entered into with counterparties. These practices do not involve the collection of data from third-party data-related service providers.



The aforementioned data collected from third parties in connection with our in-house R&D and external sales generally do not involve personal information. To the very limited extent where some of the data (such as utility pole pictures) provided by third parties inevitably capture the images of random passers-by, the likelihood for any specific individual to be thus identified is remote as such images are usually of low-resolution. And we would also conduct de-identification treatment on facial images to exclude any potential personal information and would not engage in any data processing activity other than storage and necessary security protection measures. As with our external sales, our customers would not have the needs for us to process any personal information.

We mainly adopt the following measures to ensure that the data collection and processing activities of our third-party data related service providers for providing the relevant services to us are in compliance with applicable laws and regulations: (i) to conduct qualification, background and necessary compliance checks on third-party data-related service providers prior to commencement of cooperation; (ii) to enter into technical service contracts and related documents with all data-related service providers, clarifying the types of data to be collected and processed, the cooperation period and the rights and obligations of both parties; (iii) to include specific provisions in data processing agreements with certain data-related service providers to require them to affirm that: (a) all data sources and collection methods are fully compliant with applicable laws and regulations and do not infringe upon any third-party rights; and (b) effective technical and organizational measures are implemented to ensure data security and to prevent any data leakage or damage; (iv) to conduct data compliance trainings with service providers in cooperation to raise compliance awareness and emphasize compliance requirements for data processing, and (v) to request deletion by the service providers of the relevant data provided by us once the cooperation comes to an end. During the Track Record Period and up to the Latest Practicable Date, our Group did not identify any instance of data-related service providers violating the aforesaid contractual provisions or undertakings. As of the Latest Practicable Date, all of the relevant contracts had been duly performed in accordance with their terms in all material respects.

### **Data-related Legal Compliance**

The PRC government has in recent years enacted a series of laws and regulations on protection of cybersecurity, data and privacy, which mainly include the Cyber Security Law (《網絡安全法》), the Data Security Law (《數據安全法》), the Personal Information Protection Law (《個人信息保護法》), the Measures for Cyber Security Review (《網絡安全審查辦法》) and the Regulations on Network Data Security (《網絡數據安全管理條例》) (collectively and together with any of their respective applicable rules and regulations in the PRC, the “**Data Compliance Laws**”). For more details, see “Regulatory Overview — Laws and Regulations in relation to the Protection of Cyber Security, Data and Privacy.”

For example, on June 10, 2021, the SCNPC promulgated the *PRC Data Security Law* (《中華人民共和國數據安全法》), which came into effect on September 1, 2021. The *PRC Data Security Law* stipulates data security obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system

based on the importance of data in economic and social development, and the degree of harm it will cause to national security, public interests or legitimate rights and interests of individuals or organizations when such data are tampered with, destroyed, leaked, or illegally acquired or used, and provides for a national security review procedure for those data processing activities which may affect national security as well as regulates the export of certain data and information.

Certain PRC regulatory authorities issued Opinion on Severely Punishing Illegal Activities in Securities Market, which were available to the public on July 6, 2021, further emphasized to strengthen cross-border regulatory collaboration, to improve relevant laws and regulations on data security, cross-border data transmission, and confidential information management, and provided that efforts will be made to revise the regulations on strengthening the confidentiality and archive management relating to the offering and listing of securities abroad, to implement the responsibility on information security of companies listed in foreign countries, and to strengthen the standardized management of cross-border information provision mechanisms and procedures.

On August 20, 2021, the SCNPC issued the *PRC Personal Information Protection Law* (《中華人民共和國個人信息保護法》), coming into effect on November 1, 2021, which reiterates the circumstances under which a personal information processor could process personal information and the requirements thereunder. The *PRC Personal Information Protection Law* clarifies the scope of application, the definition of personal information and sensitive personal information, the legal basis of personal information processing and the basic requirements of notice and consent.

On December 28, 2021, the CAC and 12 other relevant PRC government authorities published the amended *Measures for Cyber Security Review* (《網絡安全審查辦法》), which became effective on February 15, 2022, and superseded and replaced the *Measures for Cyber Security Review* previously promulgated on April 13, 2020. The *Measures for Cyber Security Review* provide that cybersecurity review shall be conducted with respect to (i) critical information infrastructure operators purchasing network products and services; and (ii) internet platform operators carrying out data processing activities in a manner which affects or may affect national security. In addition, the relevant governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security. There can be no assurance that we will not be required to follow the cybersecurity review procedures, and if so, whether we would be able to complete the applicable cybersecurity review procedures in a timely manner, or at all.

The *Regulations on Network Data Security Management* (《網絡數據安全管理條例》) (the “**Regulations on Network Data Security**”) were published on September 30, 2024 by the State Council, and took effect on January 1, 2025. The Regulations on Network Data Security aim to regulate network data processing activities, protect the legitimate rights and interests of individuals and organizations, and safeguard national security and public interests. The Regulations on Network Data Security put forward general requirements and provisions for network data security, further specify rules concerning personal information protection, and

fine-tune mechanisms for the management of important data. In addition, the Regulations on Network Data Security also stipulate the obligations for internet platform service providers, specifying data protection requirements for entities such as third-party service and product providers. The Regulations on Network Data Security do not include the content related to cybersecurity review standards for listing abroad or in Hong Kong in the Regulations on Network Data Security Management (Draft for Comments) published on November 14, 2021. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any investigations relating to cybersecurity reviews conducted by the CAC. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not been summoned to attend official meetings with the relevant regulatory authorities nor received any inquiry, notice, warning, or sanctions in such respect.

On July 7, 2022, CAC promulgated the *Measures on Data Export Security Assessment* (《數據出境安全評估辦法》), which came into effect on September 1, 2022. On March 22, 2024, the CAC announced the implementation on the same date of the *Regulations on Promoting and Regulating Cross-Border Data Flow* (《促進和規範數據跨境流動規定》). Such measures and regulations require a data processor providing data to foreign entities to, except for certain exemptions, apply for a security assessment on data export in one of the following scenarios:

- (1) where the data processor is an operator of critical information infrastructure providing personal information or important data to overseas parties;
- (2) where a data processor (other than an operator of critical information infrastructure) provides important information to overseas parties, or from January 1 of the current year, has provided personal information of no less than 1,000,000 individuals (excluding sensitive personal information), or has provided sensitive personal information of no less than 10,000 individuals to overseas parties.

According to our self- assessment, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any data export activities. Therefore, we believe that the thresholds set forth in the aforementioned regulations do not apply to us and our Data Compliance Advisor is of the view that we are not required to apply for a security assessment under the aforementioned measures or regulation in connection with data export or cross-border data flow under applicable laws and regulations in the PRC.

Separately, our Directors are of the view that, based on the advice of our Data Compliance Advisor, the 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》) of the PRC (the “**Interim Measures of Generative AI**”) and the Measures for the Identification of AI-Generated and Synthesized Content (《人工智能生成合成內容標識辦法》) of the PRC (the “**Identification Measures**”, effective since 1 September 2025) are not applicable to our Group’s business as of the Latest Practicable Date. This conclusion is based on the following: (i) the Interim Measures of Generative AI apply only to entities providing services utilizing generative artificial intelligence technology with generated text, pictures, audio, video, and other content (the

“**Generative AI Services**”) to the public within the territory of China. Anyone that researches, develops or applies generative AI technologies but without providing Generative AI Services to the public within the territory of China is excluded; further, the Identification Measures apply to internet information service providers that are subject to the Interim Measures of Generative AI and other regulations, limiting applicability to public-facing internet information services; and (ii) our Group’s data processing activities during the Track Record Period and up to the Latest Practicable Date mainly included those in relation to our internal R&D activities and R&D for external sales. Such data processing activities were only conducted within our internal local area network without providing internet-based information services, and such activities did not involve providing Generative AI Services to the public within the territory of China. Furthermore, we were not involved in any data processing activity conducted by our customers with respect to customers’ use of the products sold. The Sole Sponsor also concurs with the view of our Directors and the Data Compliance Advisor based on the aforementioned reasons with respect to the applicability of Generative AI Services to our Group.

During the Track Record Period and up to the Latest Practicable Date, we were in compliance in all materials aspects with regulatory requirements in the PRC in respect of data security and privacy based on the following:

- (i) we had adopted comprehensive internal policies and measures on protection of cybersecurity, data and privacy to ensure continuous regulatory compliance;
- (ii) we had not received any investigation, enquiry, warning, penalty or sanction from competent government authorities in the PRC (including the CAC) with regard to our Group’s business operations concerning any issues relating to protection of cybersecurity, data and privacy;
- (iii) we had not been involved in any legal proceedings initiated by competent government authorities or third parties in relation to protection of cybersecurity, data and privacy; and
- (iv) there had not been any cybersecurity incident or unauthorized misappropriation, leakage or loss of data that had any material adverse impacts on the business operations or financial performance of our Group.

Given the above, our Data Compliance Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, the applicable Data Compliance Laws had not have any material impact on our business operations and we had been in compliance in all material respects with all applicable Data Compliance Laws. See also “Summary — AI Related Legal Compliance.”

For risk relating to data security and privacy, see “Risk Factors — Risks Related to Our Business and Industry — We may be subject to complex and evolving laws and regulations and governmental policies regarding cybersecurity, privacy and data protection. Actual or alleged failure to comply with such laws and regulations could damage our reputation, deter current and potential customers from accessing our products and services and subject us to risks of litigation or administrative penalties or other significant legal, financial and operational consequences” for details.

### **SUPPLIERS AND PROCUREMENT**

During the Track Record Period, our suppliers consisted primarily of (i) suppliers of hardware related components and equipment such as servers (including certain software modules embedded in some servers that are sold as a bundle), grinding devices, customized digital twins integrated machines and other IT accessories. More specifically, such hardware-related components and equipment can be categorized into three types: (a) data collection devices including front-end data acquisition apparatus such as cameras; (b) computation-side equipment mainly consisting of computing servers and application servers; and (c) data storage related devices comprising of various types of storage servers, which are used to meet the massive data storage and retrieval needs; (ii) suppliers of basic software systems and modules; (iii) providers of certain non-core and less sophisticated outsourced services mainly including those in relation to data collection, cleansing, rendering and annotation; and (iv) business development service providers for procurement of customers engagements. The aforementioned hardware components and software systems were generally standardized hardware and softwares, and the relevant third-party services are typically non-core services of which we procured externally to focus our resources on more important aspects of our business such as the development of our core products and technologies. During the Track Record Period, these hardware components, software systems and relevant third-party services were primarily sourced from suppliers within the PRC.

We typically engage reputable suppliers to ensure the quality of our products and services. We have established a set of internal measures on the evaluation and selection of suppliers by taking into account various factors, which primarily include (i) technological expertise and capabilities; (ii) quality of their products or services; (iii) commercial terms offered; (iv) business background, qualifications, credentials and market reputation; and (v) our project-specific demand. For quality control on our suppliers, see “— Quality Control.”

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## BUSINESS

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We generally enter into purchase agreements effective for a term of one year with our hardware and/or software suppliers. The table below sets forth the salient terms of our typical purchase agreements with these suppliers:

<b>Relationship with Supplier . . .</b>	Independent Third Parties and not that of a principal and an agent.
<b>Purchasing Amount and Pricing . . . . .</b>	The purchasing amount and pricing, typically at fixed unit prices, for each type of products are subject to negotiation and stipulated in each agreement.
<b>Transportation and Delivery . .</b>	For hardware related components and equipment, our suppliers are typically responsible for arranging delivery to us or our designated customer locations at the suppliers' own costs.
<b>Payment . . . . .</b>	We are usually required to make a prepayment of the contract price. Payment is generally through wire transfers and there is generally no fixed credit term granted.
<b>Product Quality and Warranty . . . . .</b>	Suppliers are subject to standard quality control terms specified in each agreement. We are typically granted a warranty period of one to three years by our suppliers and we are typically entitled to return or exchange of defective supply of products.

During the Track Record Period, we also commissioned external service providers to carry out certain data collection, cleansing, rendering and annotation work, which was charged to our research and development expenses. For details of our supplier agreements with such data related service providers, see “— Research and Development.”

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any difficulties in procuring our major hardware components and/or other equipment and had not experienced significant fluctuations in the prices of our supplies. To the best knowledge of our Directors, there had been no breach of our procurement agreements with our suppliers in any material respects during the Track Record Period and up to the Latest Practicable Date. While we believe that we have established stable relationships with our key suppliers, we cannot assure that we will be able to maintain our working relationships with our major suppliers on similar terms, if at all, and are thus subject to risks associated with a shortage of qualified products and/or services. For risks associated with our suppliers, see “Risk Factors — Risks Related to Our Business and Industry — We engage third parties in our business operations. Such arrangements reduce our control over the quality, development, and deployment of our solutions and could harm our business”.



**Top Five Suppliers**

Purchase amount from our five largest suppliers in each year or period of the Track Record Period, which were mainly suppliers of hardware related components and equipment or software systems and modules, as well as data related service providers, amounted to RMB151.9 million, RMB142.1 million, RMB134.3 million, and RMB132.1 million, respectively, representing 60.9%, 70.9%, 50.8%, and 83.5% of our total purchase amount for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively; purchase amount from our largest supplier in each year or period of the Track Record Period amounted to RMB115.7 million, RMB74.1 million, RMB57.3 million, and RMB97.2 million, respectively, representing 46.4%, 37.0%, 21.7% and 61.5% of our total purchase amount, respectively.

During the Track Record Period, we had relatively high concentration in terms of purchase from our five largest suppliers in each year or period of the Track Record Period. Certain of the concentration of top five suppliers in each year or period of the Track Record Period was attributable to relatively larger amount of purchase from suppliers for some of the larger projects of our energy solution business and urban management solution business. For further details, see “Risk Factors — Risks Related to Our Business and Industry — We had a concentration of suppliers during the Track Record Period.” According to CIC, such relatively high concentration of top five suppliers in each year or period of the Track Record Period aligns with industry norms in China. As the hardware components and software systems we procure are generally standardized hardware and softwares, and the relevant third-party services we outsource are typically non-core, non-sophisticated and labor intensive services, we believe there are ample alternative sources of hardware and software and relevant third-party services in the market for us to select and procure at comparable prices and it is unlikely for us to rely on any single supplier for any specific supply of products or services without a reasonable substitute. This can also be reflected in the fluctuation of purchases attributable to our largest and five largest suppliers in each year or period of the Track Record Period. To allow more flexibility for our procurement and to in part mitigate risks arising from any concentration of suppliers, we generally keep at least two to three suppliers on the approved supplier list for our simultaneous consideration and selection with respect to each type of product or service we purchase.

As of the Latest Practicable Date, we had established ongoing business relationships with our five largest suppliers in each year or period of the Track Record Period for around two years on average. We typically became acquainted with, established business relationships with, our top five suppliers in each year or period of the Track Record Period by way of supply source research and seeking fee quote by our procurement staff. We generally have no fixed credit term offered by our top five suppliers in each year or period of the Track Record Period.

## BUSINESS

The following tables set forth details of our top five suppliers in each year or period of the Track Record Period:

Rank	Supplier	Supplier type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services supplied to us	Purchase amount (RMB'000)	Percentage of total purchase amount (%)
<b>For the six months ended June 30, 2025</b>						
1.	Supplier V	A space technology provider offering commercial satellite development, space-based AI computing services, remote sensing data processing, and space communication solutions, established in 2018.	2025	Hardware related components and equipment; software systems and modules	97,230	61.5
2.	Supplier W	A digital industrial solutions provider offering cloud-based platforms, 3D design systems, product lifecycle management software, and intelligent manufacturing services for the manufacturing sector, established in 2006.	2024	Technology services	15,067	9.5
3.	Supplier X	A technology and data services provider offering software development, network technology solutions, IT consulting, and systems integration services, established in 2015.	2025	Hardware related components and equipment; software systems and modules	8,911	5.6
4.	Supplier Y	A technology provider offering industrial and defence digitalization solutions, equipment instrumentation digital control systems, and military-grade network software and cyber-security products, established in 2013.	2025	Technology services	7,075	4.5



## BUSINESS

<u>Rank</u>	<u>Supplier</u>	<u>Supplier type and background as of the Latest Practicable Date</u>	<u>Commencement of business relationships with us</u> (Year)	<u>Main types of products/services supplied to us</u>	<u>Purchase amount</u> (RMB'000)	<u>Percentage of total purchase amount</u> (%)
5. . .	Supplier Z	A railway engineering technology provider offering technical development, consulting, service, and sales of railway construction machinery, specialized equipment, measurement instruments, and related spare parts, established in 2020.	2024	Hardware related components and equipment	3,850	2.4
<b>Total.</b>					132,133	83.5
<b><u>For the year ended December 31, 2024</u></b>						
1. . .	Supplier R	A software products and data services provider providing e-commerce applications, network engineering, software, and network system integration development services, established in 2000.	2024	Hardware related components and equipment	57,311	21.7
2. . .	Supplier S	A software products and data services provider providing power supply services, as well as technical service, technical development, technical consulting, technology exchange, technology transfer, and technology promotion, established in 2024.	2024	Hardware related components and equipment	23,009	8.7

## BUSINESS

Rank	Supplier	Supplier type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services supplied to us	Purchase amount (RMB'000)	Percentage of total purchase amount (%)
3. . .	Supplier A	A software products and data services provider providing consulting services, data processing and storage support, software development, and network and information security solutions, established in 2019.	2023	Software systems and modules	20,655	7.8
4. . .	Supplier T	A software products and data services provider providing technical service, technical development, technical consulting, technology exchange, technology transfer, and technology promotion, as well as software development, established in 2014.	2024	Hardware related components and equipment	17,965	6.8
5. . .	Supplier U	A software products and data services provider providing telecommunications business operations, internet information services, as well as technical service, technical development, and technical consulting, established in 2012.	2023	Hardware related components and equipment; use of equipment for AI computing support services	15,385	5.8
<b>Total</b>					<u>134,325</u>	<u>50.8</u>

## BUSINESS

Rank	Supplier	Supplier type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services supplied to us	Purchase amount (RMB'000)	Percentage of total purchase amount (%)
<b>For the year ended December 31, 2023</b>						
1.	Supplier B	A software product and technical service provider providing technology development and promotion, as well as the export of services and products, established in 2001 and listed on the Shenzhen Stock Exchange as of the Latest Practicable Date.	2022	Software systems	74,097	37.0
2.	Supplier A	A software products and data services provider providing consulting services, data processing and storage support, software development, and network and information security solutions, established in 2019.	2023	Hardware related components and equipment; software systems and modules	48,673	24.3
3.	Supplier D	A technical services provider providing technical services, technical development, and technical consulting, established in 2017.	2022	Data related services	7,028	3.5
4.	Supplier H	A technical services provider providing technical services, technical development, and technical consulting, established in 2018.	2022	Data related services	6,868	3.4

## BUSINESS

Rank	Supplier	Supplier type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services supplied to us	Purchase amount (RMB'000)	Percentage of total purchase amount (%)
5. . .	Supplier G	A technical service provider providing technical consulting, technical service, technical development, technology exchange, technology transfer, technology promotion, software development as well as domestic trade agency, established in 2022.	2022	Business development services	5,400	2.7
<b>Total</b>					<u>142,066</u>	<u>70.9</u>
<b>For the year ended December 31, 2022</b>						
1. . .	Supplier B	A software product and technical service provider providing technology development and promotion, as well as the export of services and products, established in 2001 and listed on the Shenzhen Stock Exchange as of the Latest Practicable Date.	2022	Software systems	115,690	46.4
2. . .	Supplier I	A Software developer and an Information systems integration service provider, established in 2017.	2022	Software systems	11,635	4.7
3. . .	Supplier J	A building materials and hardware supplier established in 2021.	2022	Hardware components and equipment	9,027	3.6

## BUSINESS

Rank	Supplier	Supplier type and background as of the Latest Practicable Date	Commencement of business relationships with us (Year)	Main types of products/services supplied to us	Purchase amount (RMB'000)	Percentage of total purchase amount (%)
4. . .	Supplier K	A technical services provider providing technical services, technical development, and technical consulting, established in 2020.	2022	Hardware components and equipment	8,341	3.3
5. . .	Supplier L	A technical services provider providing technical services, technical development, and technical consulting, established in 2020 and a subsidiary of a company listed on the Shenzhen Stock Exchange as of the Latest Practicable Date.	2022	Hardware related components and equipment; software systems and modules	7,212	2.9
<b>Total</b>					<u>151,905</u>	<u>60.9</u>

All of our five largest suppliers in each year or period of the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, we were not aware of any information or arrangements which would lead to cessation or termination of our relationships with any of our five largest suppliers in each year or period of the Track Record Period. As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the best knowledge of our Directors, owns more than 5% of our issued share capital immediately following the completion of the Global Offering (without taking into account the exercise of the Over-Allotment Option), had any interest in any of our five largest suppliers in each year or period of the Track Record Period.

### ***Overlapping Customer and Supplier***

During the Track Record Period and in addition to our procurement from Supplier A, one of our top five suppliers in 2023 and 2024, we also entered into a sales contract with Supplier A in 2024 for the provision of Technology Services for Supplier A's AI algorithms training purposes. Supplier A provided to us hardware related components and software systems or modules as part of its main business in relation to IT infrastructure. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our purchase from Supplier A amounted to nil, RMB48.7 million, RMB20.7 million, and nil, respectively, representing nil, 24.3%, 7.8% and nil of our total purchase, respectively. In the meantime, we provided Technology Services to Supplier A in the form of customized development of mainly AI-related software products (which is our forte). For the years ended December 31, 2022,

2023 and 2024 and the six months ended June 30, 2025, our revenue generated from provision of products or services to Supplier A were nil, nil, nil and RMB6.7 million, respectively, which accounted for nil, nil, nil and 2.9% of our total revenue, respectively; our gross profit generated from sales to Suppliers A was nil, nil, nil and RMB3.9 million, respectively, which accounted for nil, nil, nil and 4.3% of our total gross profit, respectively. Such services were provided for the development of Supplier A's AI algorithms training capabilities which was in connection with another business line of Supplier A in addition to its main business. According to CIC, it is not uncommon to have such overlapping customers and suppliers in the industries where we and Supplier A operate as industry players may be engaged in a variety of business lines and may utilize their respective business strengths for diversification of cooperation from time to time depending on their respective business needs. Negotiation of the terms of our contracts with Supplier A with respect to such overlapping transactions were conducted on an individual basis and the relevant products and solutions procured and offered were neither inter-connected nor inter-conditional with each other. Our Directors confirmed that all of such transactions with Supplier A during the Track Record Period and up to the Latest Practicable Date were conducted in the ordinary course of business under normal commercial terms and on arm's length basis.

#### **Use of U.S. Technologies and Products**

Some of our operating systems, data management software, AI framework and development tools which were used to develop our AI models products and/or solutions were originated from the U.S. and none of such operating systems, data management software, AI framework and development tools which originated from the U.S. are subject to any trade restrictions.

Other than the above, we have procured 105, 149, 4 and 0 display cards which contained graphic processing units which would currently be subject to license requirement for advanced computing ICs that meets certain specifications in accordance with U.S. export control laws (the "**Restricted Display Cards**") for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. The cost for procuring the Restrictive Display Cards amounted to RMB1.4 million, RMB2.0 million, RMB69,000, and RMB0 for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, accounting for approximately 1.3%, 1.4%, 0% and 0%, of the total costs of sales for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. The Restricted Display Cards are used to train the Group's AI models and to improve the efficiency of processing complex algorithms in its products, since the Restricted Display Cards have the ability to perform vast numbers of calculations rapidly and are capable at handling data-intensive and computationally demanding tasks. The Restricted Display Cards are only for the Group's internal use only and will not be embedded to any products sold to customers. As advised by our U.S. Export Control and U.S. Foreign Investment Legal Advisor, our Group has complied with the relevant U.S. export controls and restrictions in relation to the procurement of display cards during the Track Record Period and up to the Latest Practicable Date. Based on the above advice by our U.S. Export Control and U.S. Foreign Investment Legal Advisor, our Directors are also of the view that the Group has complied with

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## BUSINESS

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the relevant U.S. export controls and restrictions in relation to the procurement of display cards during the Track Record Period and up to the Latest Practicable Date. The Sole Sponsor also concurs with our U.S. Export Control and U.S. Foreign Investment Legal Advisor and our Directors' view that the Group has complied with the relevant U.S. export controls and restrictions in relation to the procurement of display cards during the Track Record Period and up to the Latest Practicable Date.

We have identified alternative sources of supply for display cards manufactured in the PRC with a current market price of approximately RMB13,500 per unit as at June 2025 which do not contain ICs originated from the U.S., which is even lower than the average unit price of the Restrictive Display Cards procured by the Company for the year ended December 31, 2024. Moreover, the U.S. export control laws prohibits continuing use of the items subject to the EAR with knowledge that a violation of the EAR has occurred. As stated above, our Group has complied with the relevant U.S. export controls and restrictions in relation to the procurement of display cards during the Track Record Period and up to the Latest Practicable Date. As advised by our U.S. Export Control and U.S. Foreign Investment Legal Advisor, the U.S. license requirements of the Restricted Display Cards do not have retroactive effect, and therefore our Company may continue to use any existing inventory of the Restricted Display Cards that were previously obtained in compliance with U.S. export controls for its intended use after January 2025. Our Directors are of the view that, based on the advice of our U.S. Export Control and U.S. Foreign Investment Legal Advisor, and given that (i) we have identified alternative display cards to replace the Restricted Display Cards without substantially increasing our cost of sales; and (ii) our business, financial condition and results of operations were not materially affected without procuring any Restricted Display Cards for the six months ended June 30, 2025, the current U.S. export control and restrictions on chips does not have a material adverse effect on our business, financial condition and results of operations. Based on the above, the Sole Sponsor also concurs with the Directors' view that the current U.S. export control and restrictions on chips does not have a material adverse effect on our business, financial condition and results of operations.

## QUALITY CONTROL

We are committed to maintaining consistently high level of quality in our AI-based products and services. We have designed and implemented a quality management system that provides the framework for continuous improvement of products and processes, covering supervising the product design process, managing product requirement documents, specifying design and technology requirements for product research and development, and handling product defects. We closely monitor the implementation of our quality management procedures and measures so as to make sure that our quality control measures are effectively implemented. We will keep upgrading our quality control system in course of future developments of our products and services. In addition, we have obtained multiple professional qualifications, which laid a solid foundation for the consistent delivery of high-standard solutions. We have registered ISO9001 (Quality Management System) and have been appraised at Capability Maturity Model Integration (CMMI V3.0) Level 3 Maturity for Development.

We procure software, hardware components and data related services and other services used in our product development and other operational processes only from approved suppliers. We conduct supplier qualification evaluation on shortlisted suppliers and examine their technological expertise. Furthermore, we may also conduct site visits to our existing and new suppliers of hardware components to examine their product samples with respect to the relevant technical requirements, and manufacturing capacity. We conduct thorough examinations of product samples and each of their components at the product testing stage to make sure they satisfy the relevant technical requirements. With respect to our existing hardware products, our quality control staff establish, communicate and monitor quality standards by product category.

## **LOGISTICS AND INVENTORIES MANAGEMENT**

### **Logistics**

With respect to our solutions that combine software and hardware, the hardware components would sometimes be directly delivered by the hardware related suppliers to us, which are then assembled and/or configured and tested by us before we engage third-party logistics service providers to deliver the software-embedded hardware to customers' designated locations. To the best of our knowledge and belief, all of these logistics services providers during the Track Record Period are Independent Third Parties.

Certain of the hardware components for our solutions may be directly delivered by our hardware related suppliers to the venue specified by our customers. We then conduct the configuration process of our software and hardware components on-site.

### **Inventories Management**

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our inventories primarily consisted of (i) raw materials such as hardware components and materials for assembly into hardware products, (ii) work in progress, and (iii) finished goods of our software and hardware integrated solutions mainly for rail transit solution business. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had inventories of RMB2.0 million, RMB4.6 million, RMB4.3 million, and RMB3.2 million, respectively. We adopt a strict inventories control policy in place to monitor our stock levels and regularly track our inventories to keep them at a level sufficient to fulfil customers' demands and our operating needs. Our personnel responsible for supply management review the ageing of our inventories, prepare aging reports and take necessary actions to minimize risks of obsolescence. In addition, we will from time to time review and make sufficient provisions if needed. Nevertheless, we may from time to time be subject to risks relating to the level of our inventories that we maintain. For details, see "Risk Factors — Risks Related to Our Business and Industry — We face inventory obsolescence, shortage or excess risks" and "Financial Information — Description of Selected Consolidated Statements of Financial Position Items — Inventories."



**COMPETITION**

The AI+ industries in which we operate are highly competitive and fragmented. According to CIC and in terms of revenue in 2024, we were the second largest AI+ traction power supply inspection and detection system provider in China with a market share of around 5.9% and we ranked third in the rail transit industry in China for provision of AI+ inspection and monitoring solutions with a market share of around 1.8%. AI+ traction power supply inspection and detection solutions market and AI+ rail transit inspection and monitoring solutions market accounted for around 2.2% and 11.6%, respectively, of the market share in China of the AI+ rail transit solution industry in 2024 in terms of revenue. We primarily compete with other companies that focus on developing and commercializing AI+ technologies. With respect to each industry vertical that we have entered into, we also compete against existing players with no specific AI capabilities in such vertical as they may develop and improve their own AI algorithms for their comprehensive product suites. Our competitors may have longer corporate operating history, or have or in the future gain more financial resources and sophisticated technological capabilities and broader customer base and relationships than us. In addition, as we expand into new areas, the basis for competition will be different and we are likely to face additional competitors, including in-house AI technology development of our customers and prospective customers. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or customer demand than us.

We may also face competition from new entrants who may offer lower prices or new technologies and products, and thus increase the level of competition in the future. Such new entrants may include better-established technology companies that possess substantial financial resources, sophisticated technological capabilities and broad distribution channels. Furthermore, we may face competition from global technology companies that seek to enter the China market, whether independently or through formation of strategic alliances with, or acquisition of, AI companies in China.

## BUSINESS

### AWARDS AND RECOGNITIONS

Since our inception and up to the Latest Practicable Date, we received various awards, honors and recognitions that have demonstrated our advanced technological and innovative capabilities, commercialization achievements, and sales and marketing competitiveness, which primarily include:

No.	Year	Award or Accreditation	Awarding entities or authorities
1. . . 2024		Technology Centre of Sichuan Enterprise in 2024 (2024年四川省企業技術中心)	Department of Economy and Information Technology of Sichuan Province (四川省經濟和信息化廳) etc.
2. . . 2023		First Prize in 2023 China Computer Federation Science and Technology Entrepreneurship Competition (2023 中國計算機學會科技創業大賽一等獎)	China Computer Federation (中國計算機學會)
3. . . 2023		National Intellectual Property Advantageous Enterprise (國家知識產權優勢企業)	China National Intellectual Property Administration (國家知識產權局)
4. . . 2023		Outstanding Entity of Scientific and Technological Innovation (科技創新突出單位)	Forum of Chinese Scientists (中國科學家論壇)
5. . . 2023		Excellent Scientific and Technological Innovation Invention (科技創新優秀發明成果) – A digital modelling and intelligent testing method for electric power secondary equipment (一種電力二次設備數字建模及智能檢測方法)	Forum of Chinese Scientists (中國科學家論壇)
6. . . 2023		New Economy Demonstration Enterprise in Sichuan Province (四川省新經濟示範企業)	Department of Economy and Information Technology of Sichuan Province (四川省經濟和信息化廳), Sichuan Provincial Finance Department (四川省財政廳)
7. . . 2023		Specialised, High-end and Innovation-driven “Small Giants” Enterprise (專精特新“小巨人”企業)	Ministry of Industry and Information Technology of PRC (工業和信息化部)
8. . . 2023		Scientific and Technological Achievement of the Ministry of Industrialization and Information Technology (工業和信息化部科技成果) – Catenary checking system	China Academy of Information and Communications Technology (中國信息通信研究院)

## BUSINESS

No.	Year	Award or Accreditation	Awarding entities or authorities
9. . .	2023	Second Prize of Sichuan Provincial Science and Technology Progress (四川省科學技術進步二等獎) – Key technologies and applications of safety maintenance in the operation environment of high-speed railways (高速鐵路運行環境安全保持關鍵技術與應用)	The People's Government of Sichuan Province (四川省人民政府)
10. . .	2023	Key Platform and New Scenario of New Economy in Sichuan Province (四川省新經濟重點平台和新場景) – Typical application scenario of railway transit AI detection and solution based on AI (基於人工智能的軌道交通AI檢測與解決方案典型應用場景)	Department of Economy and Information Technology of Sichuan Province (四川省經濟和信息化廳)
11. . .	2022	Second Prize of Science and Technology of China Railway Society in 2022 (2022年度中國鐵道學會科學技術二等獎) – Key technologies and applications for rapid investigation, monitoring and early warning of safety hazards in steel structures of High-speed railway large stations (高速鐵路大型車站鋼結構安全隱患快速排查與監測預警關鍵技術與應用)	China Railway Society (中國鐵道學會)
12. . .	2022	Entities Responsible for Group Standard Drafting (團體標準起草單位) – Catenary checking system	China Association for Small & Medium Commercial Enterprises (中國中小商業企業協會)
13. . .	2020	Second Prize for Scientific and Technological Progress (科技進步二等獎)	Chengdu Railway Bureau
14. . .	2020	Major Scientific and Technological Innovation Achievement in Railway (鐵路重大科技創新成果)	National Railway Administration of the PRC (國家鐵路局)
15. . .	2019 to the Latest Practicable Date	A-Level Supplier (A級供應商)	China Railway Group

**INTELLECTUAL PROPERTY**

Intellectual property rights are important to our success and competitiveness. We rely on a combination of trademarks, patents, copyrights, domain names as well as employee and third-party confidentiality agreements to protect our intellectual property. In general, our standard employment contract also includes specific intellectual property rights provisions such that all inventions, software copyrights, trademarks or other intellectual properties created or developed by them on our behalf during the course of employment are owned by and belong solely to us.

As of the Latest Practicable Date, we had registered 19 trademarks in the PRC. As of the Latest Practicable Date, we had been granted 103 patents in the PRC comprised of 80 invention patents, 19 utility model patents and four design patents and we also registered 96 software copyrights in the PRC. We had also registered one domain name in the PRC as well as one trademark in Hong Kong as of the Latest Practicable Date. Moreover, we were as of the Latest Practicable Date in the process of applying for registration of a number of intellectual property rights in the PRC. For more details of our material intellectual property rights, see “Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual property rights”.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any of material breach of our intellectual property rights and we had not been subject to any material disputes or claims for infringement on intellectual property rights whether as a claimant or as a defendant. Notwithstanding the fact that we have been and will protect our intellectual property rights vigorously, there can be no assurance that our efforts will be successful. Unauthorized use of our intellectual properties by third parties and expenses incurred to protect our intellectual property rights may materially and adversely affect our business and operations. For details, see “Risk Factors — Risks Relating to Our Business and Industries — Unauthorized use of our intellectual properties by third parties may harm our brands and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business.” Moreover, third parties may from time to time initiate litigations or other legal proceedings against us alleging infringement of their proprietary rights or otherwise challenging the validity of our intellectual property rights. For details, see “Risk Factors — Risks Related to Our Business and Industry — We may be subject to intellectual property infringement claims, which could be time consuming or costly to defend and may result in diversion of our financial and management resources, and indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.”

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## BUSINESS

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### EMPLOYEES

As of June 30, 2025, we had in total 193 full-time employees, the majority of which were based in our headquarters in Chengdu, Sichuan Province in the PRC. The following table sets forth the number of our full-time employees by function as of June 30, 2025:

Function	Number of employees
Management . . . . .	16
Research and Development . . . . .	135
Sales and Marketing . . . . .	20
General Administration and Finance . . . . .	22
<b>Total . . . . .</b>	<b><u>193</u></b>

We recruit high-quality talents from multiple channels based on a number of factors, including work experience, educational background and the requirements of a relevant vacancy. We enter into employment contracts with our full-time employees to cover matters such as wages, benefits and grounds for termination. To the extent permitted by applicable laws and regulations, these contracts typically include non-competition and confidentiality provisions effective during and after their employment with us for an agreed term. The remuneration package of our employees includes salary and bonus, which are generally based on their qualifications, industry experience, position and performance. We assess our employees based on their performance to determine their salary, promotion and career development. We consider the remuneration package of our employees to be competitive among our competitors. We also provide our employees with regular feedback as well as internal and external training to upgrade their skills and knowledge continuously. We have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, our employees did not negotiate their terms of employment through any labor union or by way of collective bargaining agreements nor did we experience any material labor disputes, strikes or shortages that may have a material adverse effect on our business, financial position and results of operations.

### Social Insurance and Housing Provident Fund Contributions

Pursuant to applicable PRC laws and regulations, employers are required to make contributions to, and employees are required to participate in, (i) a number of social insurance funds, including pension fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, and (ii) the housing provident fund. For details, see “Regulatory Overview — Regulations on Labor — Social Insurance and Housing Provident Fund.” During the Track Record Period, we made social insurance and housing provident fund contributions for our employees in the PRC based on the minimum contribution bases or ratios adopted locally which resulted in our not making full contributions to the social insurance and housing provident funds for such employees. The minimum contribution bases locally adopted were tied directly to the provincial average wage of the previous year which

is adjusted and announced annually by the local authorities, for example, the minimum contribution base for a company registered in Sichuan is adjusted and published each year by the Sichuan Provincial Department of Human Resources and Social Security, the Sichuan Provincial Department of Finance, and the Sichuan Provincial Taxation Bureau of the State Taxation Administration. As of December 31, 2022, 2023 and 2024 and June 30, 2025, there were 98, 170, 187 and 189 employees involved, respectively, with respect to non-fully contributions of social insurance due to insufficient level of social insurance payment bases adopted, and 87, nil, nil and nil employees involved, respectively, with respect to non-fully contributions of housing provident fund due to insufficient housing provident fund payment bases adopted. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the amount of the shortfall in social insurance and housing provident fund contributions was RMB1.3 million, RMB2.3 million, RMB2.6 million, and RMB1.9 million, respectively.

As advised by our PRC Legal Advisor, the relevant PRC authorities may demand that we pay any outstanding social insurance contributions within a stipulated deadline and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay; if we fail to make such payments within the prescribed period, we may be liable to a fine of one to three times the amount of the outstanding contributions. Our PRC Legal Advisor has also advised us that, under the relevant PRC laws and regulations, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed time period, and if we fail to make such payments within the prescribed period, application may be made to a people's court in the PRC for compulsory enforcement.

As advised by our PRC Legal Advisor, the risk is remote for us to be penalized by the relevant PRC authorities, or to have our overall business operations materially impacted, with respect to social insurance and housing provident fund contributions based on the following reasons: (i) we have obtained compliance certificates from the relevant social insurance and housing provident fund PRC authorities in respect of our social insurance and housing provident fund payment whereby we were not found to have been penalized for violations of any labor protection or housing provident fund related laws and regulations in the PRC, nor are there any arrears, need for back payment, or payment of fines; (ii) as of the Latest Practicable Date, our Company and our PRC subsidiaries had made full contributions to the housing provident fund for their respective employees in accordance with the applicable housing provident fund contribution requirements; (iii) during the Track Record Period and up to the Latest Practicable Date, we had not received any notices from the social insurance and housing provident fund PRC authorities requiring adjustments to our social insurance fees or housing provident fund contribution policies, or initiating proactive recovery actions or demanding back payments. During the Track Record Period and up to the Latest Practicable Date, we were also not aware of any plans by the relevant PRC authorities to conduct a comprehensive recovery or demand of any fines or late fees in respect of our social insurance fees or housing provident fund contributions; (iv) we have undertaken that should the relevant PRC authorities order a payment within prescribed time limit for any shortfall of social insurance fees or housing provident fund contributions, we will complete the required payment within the prescribed time limit; and (v) we have also implemented relevant internal controls with respect

to contributions of social insurance and housing provident funds, including (a) reviewing the calculation result of social insurance and housing provident funds for eligible employees for gradually increasing the social insurance and housing provident fund payment bases, (b) processing contributions of social insurance and housing provident funds for newly hired employees in a more unified and consistent manner, and (c) actively communicating with local human resources, social security bureaus and housing fund management centers on a regular basis, to ensure we acquire the most updated information about the relevant laws and regulations.

In light of the above advice from our PRC Legal Advisor, our Directors are of the view that our failure to make full contributions to the social insurance and housing provident funds for our employees in the PRC would not have a material adverse effect on our business operations and financial condition. For further details, see “Risk Factors — Risks Related to Our Business and Industry — Failure to make adequate social insurance and housing provident fund contributions as required by the PRC laws and regulations may subject us to penalties.”

### 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. In addition, we also maintain insurances for our vehicles.

In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, nor do we maintain keyman life insurance, insurance policies covering damages to our network infrastructures or information technology systems or any insurance policies for our properties other than vehicles. We have determined that the costs of insuring against these risks, and the difficulties associated with acquiring such insurance on commercially reasonable terms render such insurance impractical for our business and purposes. We believe we maintain insurance policies in line with industry standards. For further details, see “Risk Factors — Risks Relating to Our Business and Industry — Our limited insurance coverage could expose us to significant costs and business disruption.”



### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Making a positive environmental, social and governance (“**ESG**”) impact on our communities is an integral part of our business and essential to our sustainable development. We are committed to being a responsible corporate citizen, abiding by applicable laws and generally accepted ethical principles, and increasing the wellness of the society. As we vision ourselves to provide solutions that catalyze progression of society and facilitate communications among various enterprises, organizations and individuals, we attach great importance to ESG matters. Leveraging our technologies, we thrive for creating sustainable value for our business partners, customers, investors, employees, other stakeholders and society, hence building a healthy, vibrant and sustainable ecosystem.

Accordingly, we plan to adopt a comprehensive policy on environmental, social and corporate governance responsibilities (the “**ESG Policy**”) in accordance with the Listing Rules, which sets forth our corporate social responsibility objectives and provides guidance on practicing corporate social responsibility in our daily operations, including (i) the appropriate risk governance on ESG matters, including climate related risks and opportunities; (ii) identification of key stakeholders and the communication channels to engage with them; (iii) ESG governance structure; (iv) ESG strategy formation procedures; (v) ESG risk management and monitoring; and (vi) the identification of key performance indicators, the relevant measurements and mitigating measures.

Under our ESG Policy, we aim to build a sustainable community with our employees, customers and other business partners by supporting local initiatives that aim to create effective and lasting benefits to the local community, through various initiatives that may include corporate philanthropy, establishing community partnerships, and mobilizing our employees to participate in volunteer work. In addition, we also endeavour to reduce any negative impacts on the environment through our commitment to energy saving and sustainable development. We will also focus on embracing diversity within our organization and equal and respectful treatment of our employees in their hiring, training, wellness and professional and personal development. While maximizing equal career opportunity for everyone, we will also continue to promote work-life balance and create a happy culture in our workplace for our employees.

Our Board has the collective and overall responsibility for establishing, adopting and reviewing the ESG vision, policy and target of our Group, and evaluating, determining and addressing our ESG-related risks at least once a year. Our Board may assess or engage independent third party(ies) to evaluate the ESG risks and review our existing strategy, target and internal controls. Necessary improvement will then be implemented to mitigate the risks. We have an ESG management team authorized by our Board to oversee ESG-related issues and perform relevant ESG governance responsibilities on behalf of our Board. The duties of our ESG management team include but not limit to reviewing the performance of our Group with respect to ESG matters, identifying, assessing and managing the relevant risks and opportunities, reviewing, evaluating, adopting and updating the relevant policies, and reporting and making recommendations to our Board.



### Environmental Policies

#### *Commitment to Environment Sustainability through Business Operations*

We recognize the importance of contributing to sustainable development for the benefit of our environment. We will monitor environmental and climate-related risks that may impact on our business, strategy and financial performance and evaluate the magnitude of resulting impact over the short, medium and long-term horizons. See “— Identification and assessment of ESG risks and issues” for more information. We strive to minimize the impact of our operations on the environment with internal policies to reduce our carbon footprint in our operation in the following ways: (i) installing energy efficient lighting and ensuring lights are switched off when out of use either manually or through automatic sensors; (ii) promoting e-office policies and requiring double-sided printing of documents throughout our offices; (iii) switching off certain IT equipment or automatic power shutdown for certain systems and devices during holidays as appropriate; (iv) air conditioning controls, with measures including requirements on lowest temperature, regular maintenance of air cooling technologies and optimal timing controls; and (v) posting slogans on saving water in our office, calling on employees to practice water conservation in their daily life.

#### *Energy Conservation and Emission Reduction*

We adhere to the development concept of green, low-carbon and recycle. Through the formulation and implementation of an energy resource management system, we have comprehensively promoted the management of energy resources, proactively identified potential space for energy conservation and formulated energy conservation plans.

As a player engaged in the AI industry, we recognize that while technology brings significant social and economic value, its environmental impact, especially the contribution of high computational power and electricity consumption to greenhouse gas (“GHG”) emissions cannot be overlooked. We face numerous challenges in the ESG domain in this regard.

In the short term, the direct environmental impacts of electricity consumption and its carbon emissions, as well as the effect of rising energy costs on operational expenses, are of concern. Looking to the medium term, technological upgrades and transitions must also consider their environmental impacts, testing our business capabilities; in the long term, maintaining competitiveness while adhering to increasingly strict environmental regulations is also necessary.

We calculated Scope 1 to 3 carbon emissions according to the national carbon emission factors and GHG Protocol. In addressing Scope 1 to 3 emissions, we have adopted the following strategies and metrics to measure and manage our environmental impact:

- **Scope 1 (Direct emissions):** Scope 1 GHG emission mainly includes direct GHG emission from our vehicle cars. In the future, we aim to further decrease direct emissions by adopting electric vehicles and other effective measures.

- **Scope 2 (Indirect emissions from electricity consumption):** Scope 2 emission mainly includes indirect GHG emissions generated by our use of purchased electricity. We continue to reduce indirect emissions by giving preferences to purchasing green energy products. We have implemented measures to manage electricity consumption effectively, which include initiatives such as the replacement of conventional lighting with energy-efficient LED fixtures. To foster a culture of energy conservation among our staff, we require measures such as dimming or turning off non-essential lights during breaks and overtime periods, as well as powering down idle computers or setting them to energy-saving modes.
- **Scope 3 (Value chain emissions):** Scope 3 GHG emission covers emissions from purchased goods and services, as well as business travel. The primary sources of Scope 3 emissions during our ordinary course of business operations are the products we purchase and the data centers in connection with the AI computing support services for which we paid use of equipment fees. We work with suppliers to optimize supply chain management, use more efficient server and green power. We urge our partners to embrace sustainable practices in order to offer eco-friendlier and low-carbon products and services. We give preference to selecting data centers that are more efficient and have lower carbon emissions.

### *Our Strategies to Address ESG-Related Risks and Opportunities*

Climate-related issues are among our key agenda. Supervised by our Board, we actively identify and monitor the climate-related risks and opportunities over the short, medium and long term, and we seek to incorporate such climate-related issues into our businesses, strategy and financial planning. Set forth below is a summary of the climate-related risks that we have identified or plan to identify over the short, medium and long term:

- **Short term (current reporting period):** Climate relate risks are mainly in relation to extreme weather conditions such as rainstorms and typhoons which have potential impact of service outage and data loss, and the resulting financial liabilities and reputational damage.
- **Medium term (one to three years):** Climate related risks are mainly in relation to heightened environmental regulatory oversight with potential impact of increased operating and compliance costs.
- **Long term (above three years):** Climate related risks are mainly in relation to global initiatives for carbon emission reduction with potential impact of higher operating costs and/or tax burdens due to stringent environmental regulations.

Our Board will evaluate the likelihood of occurrence and the estimated magnitude of the resulting impact over short-, medium- and long-term horizons. The decision to mitigate, transfer, accept or control a risk is influenced by various factors such as business location, cost-benefit analysis and change in regulatory landscape. We will incorporate physical and

## BUSINESS

transition risk analysis into risk assessment processes and risk appetite setting. If the risks and opportunities are considered to be material, we will incorporate them into the strategy and financial planning process. It is expected that the extreme weather conditions for potential physical risks, and change in climate-related regulations and policy for potential transition risks would not have a material impact on our operation in the short and medium terms. We also aim to minimize the transition risk in the long term through reducing our carbon footprints. We have been and will continue taking mitigating steps to address these climate relates risks, including establishing and monitoring various metrics and targets to advance our ESG goals.

### *Metrics and Targets*

The table below summarizes key energy usage indicators of our corresponding offices in the PRC during the Track Record Period:

	For the year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
Electricity (kWh) . . . . .	110,961	233,852	390,451	271,268
Electricity (kWh/employee) . . .	1,168.0	1,480.1	1,914.0	1,349.6
Carbon equivalent emissions under Scope 1 direct GHG emissions (tonnes) . . . . .	14.9	14.2	32.5	12.1
Carbon equivalent emissions under Scope 2 indirect GHG emissions (tonnes) . . . . .	59.5	125.5	209.5	145.6
Carbon equivalent emissions under Scope 3 indirect GHG emissions (tonnes) . . . . .	5,295.2	3,690.5	3,447.7	3,804.0
Water (m <sup>3</sup> ). . . . .	861	1,890	2,789	1,477
Water (m <sup>3</sup> /employee). . . . .	9.1	12.0	13.7	7.3

Under our ESG Policy, we are establishing a comprehensive set of metrics and targets to restrain and guide our business operations in the following ways:

- **Power usage:** In 2022, 2023 and 2024 and the six months ended June 30, 2025, the total power usage for our headquarters and offices in the PRC was approximately 110,961 kWh, 233,852 kWh, 390,451 kWh, and 271,268 kWh, respectively, corresponding to an average annual power usage of approximately 1,168.0 kWh, 1,480.1 kWh, 1,914.0 kWh and 1,349.6 kWh, per employee, respectively. Along with our business expansion, we intend to reduce the level of our average annual power usage per employee over the next three years. By 2027, the average annual power usage per employee is expected to be decreased by around 3% as compared with 2024.

- **GHG emissions:** During the Track Record Period, the general increase in the carbon equivalent emissions under Scope 1, Scope 2 and Scope 3 were generally in line with our business development. We are actively committed to reducing GHG emissions generated during our operations. By 2027, the average annual Scope 1 and Scope 2 emissions per employee are expected to be decreased by around 3% as compared with 2024.
- **Water usage:** In 2022, 2023 and 2024 and the six months ended June 30, 2025, the total water usage for our headquarters and offices in the PRC was 861 m<sup>3</sup>, 1,890 m<sup>3</sup>, 2,789 m<sup>3</sup>, and 1,477 m<sup>3</sup>, respectively, corresponding to an average annual water usage of 9.1 m<sup>3</sup>, 12.0 m<sup>3</sup>, 13.7 m<sup>3</sup> and 7.3 m<sup>3</sup>, per employee. Along with our business expansion, we intend to reduce the level of our average annual water usage per employee over the next three years. By 2027, the average annual water usage per employee is expected to be decreased by around 3% as compared with 2024.

Going forward, we will continue to take measures to control the water usage in our daily operations. We will continue our efforts of actively promoting green office practices to enhance our staff's awareness of green and low-carbon practices, as well as conducting regular inspections and replacement of old water supply equipment to ensure their efficient operation. We will monitor our water consumption to identify irregularities in a timely manner.

- **Waste generated:** Due to the nature of our business, we do not generate any hazardous waste during our operations. In order to reduce the impact of our disposal of non-hazardous waste on the environment, we monitor our waste discharge level on a regular basis. Proper guidelines are provided to our employees on waste classification and disposal. We also enhanced our waste management approach of our offices based on the principles of resource utilization, reduction of waste generation and harmless treatment. We target to maintain 100% compliance rate in relation to waste disposal.
- **Recourse consumption:** We endeavour to reduce negative impact on the environment through our commitment to energy saving and sustainable development. We actively promote the idea of paperless workplace, and we encourage double-sided printing of documents in our office.

### Social and Governance Policies

In respect of social responsibilities, we are committed to offering a fair and caring working environment to our employees. We have transparent policies on compensation and dismissal, equal opportunities and anti-discrimination. We hire employees based on their merits and it is our corporate policy to offer equal opportunities and fair compensations to our

employees. We encourage our employees who encounter any discrimination to seek immediate assistance, which also allows us to conduct timely investigation and follow up as needed. In addition, we provide training programs on industry and regulatory developments to our employees.

We comply with the laws and regulations in the PRC regarding anti-corruption. In addition, we have adopted and strictly implemented our internal anti-corruption policies as stipulated in our employee handbook, which is distributed to all employees and to new employees upon onboarding. Pursuant to our anti-corruption policies, any employee who takes a bribe from any business partner for the purpose of getting business will be subject to penalties or termination of labor contracts. In addition, we have imposed a whistleblowing procedure that allows employees to report actual or suspected wrongdoing. The identities of the whistle blowers are kept strictly confidential. We have built a sound corporate governance structure to ensure the effectiveness of our management. See “— Risk Management and Internal Controls” for more details.

### **Identification and assessment of ESG risks and issues**

We are committed to a thorough analysis and assessment process that will enable us to identify any material ESG risks and take actions to address these risks timely and effectively.

In respect of physical risk, we focus on acute physical risk, such as extreme weather events, which will cause service outage and data loss, and the resulting financial liabilities and reputational damage. To this end, we have formulated an emergency response plan with clear division of labor and specific implementation measures to ensure the full implementation of safety and health management guidelines. We also organize employees to conduct relevant training and drills.

In respect of transition risks, we are not in an industry highly sensitive to climate-related risks and we are mainly concerned with policy and legal risks. We pay close attention to the global trend and China’s national strategy of addressing climate change and ecological environment protection, and will actively enhance our ability to address climate change and cope with China’s initiatives and action plans regarding future carbon dioxide emission.

We have taken certain measures to reduce ESG-related risks in the process of operation. See “— Environmental, Social and Governance — Environmental Policies.” We will continue to develop ESG guidelines, clarify departmental responsibilities and monitor our operations. In addition, we will make constant improvement of the ESG management regulation and operation rules. Necessary improvement will then be implemented to mitigate the risks and/or the issues identified. We may engage independent professional third parties to help us make necessary improvements on ESG issues, when necessary.

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 non-compliance in relation to health, work safety or environmental laws and regulations and had not had any accident, or received any claim for

personal or property damage made by our employees which had materially and adversely affected our results of operations, financial condition or business operations. During the Track Record Period and up to the Latest Practicable Date, as confirmed by our PRC Legal Advisor, we had complied with the applicable PRC laws, regulations and rules relating to resources consumption and environmental protection in all material respects. Our Directors considered that the annual costs for compliance with the applicable health, work safety or environmental laws and regulations were not material during the Track Record Period, and we do not expect such costs to be material going forward. However, because the requirements imposed by these laws and regulations may change, we may be unable to accurately predict the cost of complying with these laws and regulations. For more details, see “Risk Factors — Risks Related to Conducting Business in the PRC — Increasing focus with respect to environmental, social and governance matters may impose additional costs on us or expose us to additional risks.”

### **IMPACT OF THE COVID-19 PANDEMIC**

Since late 2019, the outbreak of COVID-19 has materially and adversely affected the global economy. COVID-19 has, to certain extent, caused temporary impact to our financial performance and business operations during the Track Record Period. Due to the impact of COVID-19, our sales and marketing activities were hindered with respect to business travels and face to face communication with existing and potential customers and other business partners. COVID-19 also for a time hampered the timely on-site acceptance of our products and solutions and prolonged the payment cycle with respect to the customer projects to which we provided products and solutions. For instance, five of our distributors encountered payment difficulties and prolonged payment from end customers primarily because the relevant railway projects undertaken by railway bureaus were delayed due to impact of COVID-19 in 2022. Although such distributors are not subject to any back-to-back payment arrangements, the status of the underlying railway projects would still to certain degree indirectly hinder their ability to meet payment obligations on a timely manner. As of December 31, 2022, we had gross trade receivables of RMB76.3 million from such distributors and 100% of such trade receivables had been settled as of the Latest Practicable Date. We had continued to conduct business with most of these distributors after 2022 and to the best of our Directors’ knowledge, the relevant railway projects that were delayed in 2022 had been completed as of the Latest Practicable Date. See also “Risk Factors — Risks Related to our Business and Industry — We are subject to credit risk related to delay in payments and defaults of customers as our trade receivables balance and average trade receivables turnover days increased significantly during the Track Record Period.” During the Track Record Period and up to the Latest Practicable Date, we did not experience any material adverse impact of COVID-19 on our financial performance or business operations. We will continue to pay close attention to the development of the COVID-19 pandemic and dedicate resources to take actions to minimize any adverse impact therefrom.

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## BUSINESS

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### PROPERTIES

Our headquarters is located in Chengdu of Sichuan Province in the PRC. As of the Latest Practicable Date, we did not own any properties in the PRC. We leased seven properties in various locations in the PRC as of the Latest Practicable Date, with an aggregate gross floor area of approximately 7,672 sq.m. which are primarily for office use.

The following table sets forth further details of properties we leased from third parties in the PRC as of the Latest Practicable Date:

No.	City of location	GFA (sq.m.)	Lease period	Use of lease
1 . . . . .	Chengdu, Sichuan Province	44.5	2025/11/11 to 2027/11/10	Office
2 . . . . .	Chongqing	2,980.1	2024/6/11 to 2027/6/10	Production and operation
3 . . . . .	Chengdu, Sichuan Province	705.9	2023/8/21 to 2026/8/27	Office
4 . . . . .	Chengdu, Sichuan Province	1,453.9	2023/8/21 to 2026/9/3	Office
5 . . . . .	Chengdu, Sichuan Province	1,240.8	2024/4/25 to 2027/5/11	Office
6 . . . . .	Chengdu, Sichuan Province	1,240.8	2024/5/18 to 2027/5/31	Office
7 . . . . .	Deyang, Sichuan Province	6	2023/4/1 to 2026/3/31	Office

In the event that any of our leases expire after the end of their respective lease term, we would need to seek alternative premises and incur relocation costs. We believe that there are alternative properties at comparable rental rates available on the market, the use of which would not materially and adversely affect our business operations, and we thus do not rely on the existing leases for our business operations. For details of the risks with respect to our leased properties, see “Risk Factors — Risks Related to Our Business and Industry — Failure to renew our current leases at reasonable terms or to locate desirable alternatives for our offices and facilities could materially and adversely affect our business and results of operations”.

As of the Latest Practicable Date, five out of our aforementioned seven leased properties in the PRC had not been registered with the relevant PRC governmental authorities. The relevant registering procedures require cooperations by the respective lessors and we failed to register these leases either due to non-cooperation of some lessors or lack of proof for ownership of the lease on the lessor’s part. According to our PRC Legal Advisor, the failure to register does not in itself invalidate the leases, but we may be ordered by the relevant PRC governmental authorities to rectify such non-compliance and, if we fail to do so within a given period of time, we may be subject to fines ranging from RMB1,000 and RMB10,000 for each of our unregistered lease agreements. As such, we estimate that the maximum penalty we might



be subject to with respect to these unregistered leased properties as of the Latest Practicable Date would be approximately RMB50,000, which we believe is immaterial. We will continue to liaise with the relevant lessors and will make an endeavor to register the leases as soon as practicable if and when the relevant lessor obtains the underlying proof for ownership. Our Directors are of the view that such failure to register will not have any material adverse effect on our financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any notice or allegation of penalty from PRC government authorities for each of our unregistered lease agreements. For details, see “Risk Factors — Risks Related to Our Business and Industry — Certain of the lease agreements of our leased properties have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines”.

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice and Chapter 5 of the Listing Rules, this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of June 30, 2025, none of the properties leased by us had a carrying amount of 15% or more of our total assets.

## **LEGAL PROCEEDINGS AND COMPLIANCE**

As advised by the PRC Legal Advisor, 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 would have a material adverse effect on our business, financial condition, results of operations, reputation or compliance. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any non-compliance incidents which would, individually or in aggregate, have a material adverse effect on our business as a whole. As confirmed by our PRC Legal Advisor, our business operations 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.

From time to time, we may be involved in legal proceedings, investigations, administrative penalties or other claims or disputes arising in the ordinary course of our business. For risks and uncertainties relating thereto, see “Risk Factors — Risks Related to Our Business and Industry — We may be involved in legal proceedings and commercial disputes, which could have a material adverse effect on our business, financial condition and results of operations”.



## BUSINESS

### LICENSES AND PERMITS

As confirmed by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had obtained all material requisite licenses, permits and approvals from the relevant government authorities for the offering of our products and services and our operations in the PRC, and such licenses, permits and approvals remained in full effect as of the Latest Practicable Date.

The following table sets forth some of the filings and certifications in connection with our business operations as of the Latest Practicable Date:

No.	Certificate Name	Entity	Filing or Certification Content or Scope	Filing/Certified Date	Expiry Date
1 . .	Filing of Information System Security Level Protection (信息系統安全等級保護備案)	Our Company	Level 3 – NBK-INTARI AI Platform	2023.04.14	N/A
2 . .	Filing of Information System Security Level Protection (信息系統安全等級保護備案)	Our Company	Level 2 – Catenary checking system	2023.07.21	N/A
3 . .	Filing of Information System Security Level Protection (信息系統安全等 級保護備 案)	Our Company	Level 2 – Diagnosis system of power supply equipment	2024.04.12	N/A
4 . .	Customs Record Registration (海關備案登記)	Zhonggui Railway	Import and Export Goods Consignor	2020.04.08	2068.07.31
5 . .	Software Enterprise Certificate (軟件企業證書)	Our Company	–	2025.05.30	2026.05.29
6 . .	Software Enterprise Certificate (軟件企業證書)	Zhonggui Railway	–	2025.07.31	2026.07.30
7 . .	Capability Maturity Model Integration Certification (CMMI認證)	Our Company	Level 3 Maturity for Development	2024.07.14	2027.07.14
8 . .	Capability Maturity Model Integration Certification (CMMI認證)	Zhonggui Railway	Level 3 Maturity for Development	2023.02.18	2026.02.18
9 . .	Quality Management System Certification (質量管理體系 認證)	Our Company	Software Development; Sales of Electronic Products, Mechanical Equipment	2021.01.25	2026.02.13
10 .	Quality Management System Certification (質量管理體系 認證)	Zhonggui Railway	Research and Development of Image Recognition System Equipment, Sales of Rail Transit Equipment	2022.11.01	2028.10.31

## BUSINESS

No.	Certificate Name	Entity	Filing or Certification Content or Scope	Filing/Certified Date	Expiry Date
11.	Environmental Management System Certification (環境管理體系認證)	Our Company	Software Development; Sales of Electronic Products, Mechanical Equipment and Related Management Activities	2021.01.25	2026.02.13
12.	Environmental Management System Certification (環境管理體系認證)	Zhonggui Railway	Research and Development of Image Recognition System Equipment, Sales of Rail Transit Equipment and Related Management Activities	2022.11.01	2028.10.31
13.	Occupational Health and Safety Management System Certification (職業健康安全管理体系認證)	Our Company	Software Development; Sales of Electronic Products, Mechanical Equipment and Related Management Activities	2021.01.25	2026.02.13
14.	Occupational Health and Safety Management System Certification (職業健康安全管理体系認證)	Zhonggui Railway	Research and Development of Image Recognition System Equipment, Sales of Rail Transit Equipment	2022.11.01	2028.10.31
15.	Information Technology Service Management System Certification (信息技術服務管理体系認證)	Our Company	Compliance with the ISO/IEC 20000-1:2018 standard	2022.12.16	2025.12.15
16.	Information Security Management System Certification (信息安全管理体系認證)	Our Company	Compliance with the ISO/IEC27001:2022 standard	2022.07.12	2028.07.11
17.	Intellectual Property Management System Certification (知識產權管理体系認證)	Our Company	Intellectual Property Management Involving Software Development, Sales of Electronic Products, Mechanical Equipment	2025.06.16	2028.06.15
18.	Intellectual Property Management System Certification (知識產權管理体系認證)	Zhonggui Railway	Intellectual Property Management Involving Software Development, Sales of Rail Transit Inspection Equipment	2025.06.20	2028.06.19

We intend to apply for renewal of our key licenses and permits as required by applicable laws and regulations, the procedures for which is expected to be initiated timely prior to their respective expiration date as applicable. We are actively following up for the renewal of any license, permit, approval or certificate which were due to expire soon as of the Latest Practicable Date and the successful renewal of which will be subject to our fulfilment of relevant requirements. As of the Latest Practicable Date, our Directors were not aware of any reason that would cause or lead to the non-renewal of our existing licenses, permits, certificates and approvals. Our PRC Legal Advisor confirmed that, as of the Latest Practicable Date, there was no substantial legal impediment for us to renew our existing licenses, permits, approvals and certificates in the PRC as long as we would comply with the relevant legal requirements.

## **RISK MANAGEMENT AND INTERNAL CONTROL**

We are exposed to various risks for our operations so risk management is important for our business. For details of the various operational risks we face, see “Risk Factors”. In addition, we are also exposed to various financial risks, such as credit and liquidity risks that arise in the normal course of our business. For details, see “Financial Information — Financial Risks.” In order to identify, assess, and control the risks that may cause impediments to our business, we have established and implemented comprehensive risk management and internal control systems consisting of policies and procedures that we consider appropriate for various aspects of our business operations, and are dedicated to continuously improving these systems.

Our Board of Directors is collectively responsible for the establishment and updating of our risk management and internal control systems, while our management proactively monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional teams, and also conducts periodic review of the implementation thereof, to ensure their effectiveness and sufficiency. Risks identified by our management will be analyzed on the basis of likelihood and impact, and properly followed up, mitigated and rectified, and reported to our Board of Directors. Specifically, we have adopted and implemented the following risk management and internal control policies and protocols.

### **Operational Risk Management**

We are faced with operational risks relating to our daily operations, which primarily arise from inadequate or failed internal processes, human errors, IT system failures or external events. We consider these operational risks to be the key risks in our business and believe that, with adequate operational policies and procedures, these inherent risks can be controlled and mitigated. We take a comprehensive approach with regard to operational risk management, and implement mechanisms with detailed and decentralized responsibilities and clear rewards and punishment systems. Different departments are collectively responsible for ensuring the compliance of our daily operations with our internal procedures. We also reiterate the importance of adherence to our operational protocols and procedures to our employees and, in particular, new employees, to ensure effective implementation of our operational protocols and procedures.

We also developed a robust risk management system monitoring and addressing risks in our daily operations such as through the management of our internal financial records, company chops, seals and signatures, key properties and business files. In the event of a major adverse event, the matter will be escalated to our chief executive officers and the Board of Directors to take appropriate measures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing the same to reduce potential losses. To ensure the continuity of our business, we have also put in place contingency plans for detecting and responding to emergency incidents. In the event of an emergency incident, our contingency plans set out prescribed response protocols applicable to our various department. We continue to assess the effectiveness of our contingency plans, and would perform reviews after each emergency incident to identify potential areas for improvement. We also conduct regular emergency response drills to ensure our employees are familiar with our response protocols.

### **Legal and Compliance Risk Management**

Our business is subject to the regulation and supervision by national, provincial and local government authorities with regard to our business operations, which may be subject to changes. For further details on the applicable laws and regulations in relation to our business operations, see “Regulatory Overview”. We have designed and adopted strict internal procedures to achieve effective identification and management of compliance risk and ensure that our operations are in compliance with applicable laws and regulations. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operations, and conduct regular reviews to monitor the status and effectiveness of such licenses, permits 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. In addition, we strengthen our legal and compliance risk management by monitoring legal updates, including updates on the interpretation of applicable laws and regulations by relevant regulatory authorities, and accordingly updating our internal protocols and procedures in a timely manner.

### **Financial Reporting Risk Management**

We have adopted comprehensive accounting policies in connection with our financial reporting risk management, such as financial reporting management policy, budget management policy, treasury management policy, financial statements preparation policy, and finance staff management policy. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. In addition, we provide ongoing training to our finance staff to ensure that these policies are well-observed and effectively implemented.

**Intellectual Property Risk Management**

We have implemented a set of comprehensive measures to protect our intellectual property. For instance, our legal personnel will ensure that all necessary applications, renewals or filings for trademark, copyright and patent registrations have been timely made to the competent authorities. Moreover, we conduct uniform and centralized intellectual property management, which requires that any application, implementation, authorization or transfer of our intellectual property rights will need to be subject to the approval of our management. In addition, any of our intellectual property rights, as long as it is owned by one of our subsidiaries, can be shared among our Group members for usage, sales or promise to sell relevant solutions.

**Anti-Bribery and Anti-Corruption Risk Management**

We have in place anti-bribery and anti-corruption policies to safeguard against any bribery, corruption and fraud in violation of applicable anti-corruption and anti-bribery laws and regulations within our Group, which prohibits any bribery or corruption activities by the employees, either for the pursuit of improper personal benefits or improper interests of our Group. The policies provide guidance on anti-corruption and anti-bribery practices, and explain potential bribery and corruption conduct and our anti-bribery and corruption measures. We keep accurate books and records that reflect the substance of transactions and asset dispositions in reasonable details, and will not approve a transaction or payment if the books and records do not reflect the substance thereof. We conduct trainings for our employees regarding our anti-bribery and anti-corruption policies to facilitate better implementation. We make our internal reporting channel open and available for our staff to report any suspicious bribery and corruption acts, which may be anonymous. Any reported incidents and personnel will be investigated and handled in a prompt, independent and fair manner, and appropriate measures will be taken.

**Information System and Data Security Risk Management**

We have established an information system and data security risk management framework, including relevant internal control policies and risk management mechanisms to ensure information and data security, which primarily consists of:

- internal authentication and authorization systems that set forth confidentiality categorization and control access to data, so that confidential and data with importance can only be accessed for authorized use and limited purposes, and by authorized personnel;
- procedures for regular data backup, encryption and desensitization to prevent unauthorized access, leakage, improper use or modification of, damage to or loss of data;

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## BUSINESS

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- adoption of multiple layers of safeguards, including both internal and external firewalls and anti-virus software, to identify and protect us against security attacks;
- procedures for regular system check, password policy and data recovery test to safeguard our information assets and ensure the proper data management;
- data security emergency response and information security management policies that evaluate critical risks and set forth emergency plans for data security incidents;
- provision of information security training to our employees from time to time;
- security audits to be performed periodically and on an as-needed basis so as to strengthen our security measures based on results thereof, which may include vulnerability scanning and intrusion detection, data inspection and risk identification, and security evaluation of idle equipment, etc.; and
- engagement, if necessary, of external legal counsel to review and update our internal policies and ensure continuous compliance with all applicable laws and regulations.

### **Human Resources Risk Management**

We have established risk management and internal control 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 sessions tailored to the needs of our employees in different departments. Through these trainings, we ensure that our staff's skill sets remain up-to-date, enabling them to better meet customers' needs. We also conduct periodic performance reviews for our employees, and their remuneration is performance-based. We have in place an employee handbook and a code of conduct approved by our management and have distributed the same to all our employees. The handbook contains internal rules and guidelines regarding work ethics, and fraud, negligence and corruption prevention mechanisms. We monitor the implementation of internal risk management and internal control policies on a regular basis to identify, manage and mitigate internal risks in relation to potential incompliance with our code of conduct and violations of our internal policies or illegal acts at all levels of our Group.

**Investment Risk Management**

As we may invest in or acquire businesses that are complementary to ours and aligned with our overall growth strategies, such as businesses that can expand our solution offerings and strengthen our technological capabilities, we have established investment project evaluation and approval processes. Our management will review and determine all new investments and major disposals. Specifically, it will be responsible for our investment project sourcing, screening, due diligence, risk assessment, valuation, execution and post-investment monitoring in accordance with our investment strategies. Each investment is assessed with consideration of strategic values, risks, business synergies and potential return of the project to be invested.

**Audit Committee Experience and Qualification and Board Oversight**

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Global Offering, we have also adopted or will adopt, among other things, the following risk management and internal control measures:

- the establishment of an audit committee responsible for overseeing our financial records, internal control procedures and risk management systems. For details of the qualifications and experiences of these committee members as well as a detailed description of the responsibility of our audit committee, see “Directors, Supervisors and Senior Management — Board Committees — Audit Committee”;
- the appointment of Ms. Wang Li as our chief financial officer and Ms. Wang Li and Ms. Wong Hoi Ting as our joint company secretaries to ensure the compliance of our operations with relevant laws and regulations. For details of their biographies, see “Directors, Supervisors and Senior Management — Joint Company Secretaries”;
- the appointment of Altus Capital Limited as our compliance advisor upon the Listing to advise us on compliance with the Listing Rules; and
- the engagement of external legal advisers to advise us on compliance with the Listing Rules and to ensure our compliance with the relevant regulatory requirements and applicable laws, where necessary.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### OVERVIEW

Pursuant to the Concert Party Agreements, Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent agreed that they shall act in concert with respect to, inter alia, the right to propose resolutions at general meetings, voting rights and other matters which are subject to the approval in general meetings of our Company, for the period since the dates of the Concert Party Agreements and upon the expiration of our Company's registered operating period. See "History, Development and Corporate Structure — Concert Party Arrangements" in this prospectus for details.

As of the Latest Practicable Date, by virtue of the Concert Party Agreements, Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent are collectively entitled to exercise voting rights of approximately 51.1% of the voting rights in our Company, among which:

- (i) Mr. Liao, our founder, executive Director and Chairman is entitled to exercise voting rights underlying approximately 41.3% of the total issued share capital of our Company through (a) his direct interest in 11,175,039 Shares, representing approximately 32.8% of the total issued share capital of our Company; (b) his capacity as the general partner of Tieke Chuangzhi, which holds 2,281,459 Shares, representing approximately 6.7% of the total issued share capital of our Company; and (c) his capacity as the general partner of Tieke Intelligent, which holds 633,726 Shares, representing approximately 1.9% of the total issued share capital of our Company;
- (ii) Tieke Chuangzhi is entitled to exercise voting rights underlying approximately 6.7% of the total issued share capital of our Company through its direct interest in 2,281,459 Shares;
- (iii) Tang Taike is entitled to exercise voting rights underlying approximately 3.3% of the total issued share capital of our Company through his direct interest in 1,122,581 Shares;
- (iv) Lin Renhui is entitled to exercise voting rights underlying approximately 3.3% of the total issued share capital of our Company through his direct interest in 1,122,581 Shares;
- (v) Su Maocai is entitled to exercise voting rights underlying approximately 3.3% of the total issued share capital of our Company through his direct interest in 1,112,581 Shares; and
- (vi) Tieke Intelligent is entitled to exercise voting rights underlying approximately 1.9% of the total issued share capital of our Company through its direct interest in 633,726 Shares.



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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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The limited partners of Tieke Chuangzhi and Tieke Intelligent are employee and external consultants of our Group. Despite the fact that the limited partners of Tieke Chuangzhi and Tieke Intelligent hold the Shares together with Mr. Liao through these two entities, they are not considered as our Controlling Shareholders as: (i) their interests in our Company through Tieke Chuangzhi and Tieke Intelligent are treated as incentives from our Company; (ii) none of them is entitled to exercise the voting rights underlying the Shares held by Tieke Chuangzhi and Tieke Intelligent as such power has been exclusively granted to Mr. Liao, being the sole general partner of Tieke Chuangzhi and Tieke Intelligent; (iii) there is no formal or informal agreements, arrangements and/or understanding (whether oral or written) among these limited partners themselves or among these limited partners with Mr. Liao, in relation to the exercise of voting powers underlying the Shares held by Tieke Chuangzhi and Tieke Intelligent; and (iv) these limited partners do not fall within the meaning of “acting-in-concert” for the purpose of the Takeovers Code with any of our Controlling Shareholders.

In light of the above, Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent are collectively entitled to exercise voting rights of approximately 51.1% of the total issued share capital of our Company as at the Latest Practicable Date, and are considered as a group of Controlling Shareholders.

Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Liao, Tieke Chuangzhi, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent will be collectively entitled to exercise voting rights underlying approximately 46.0% of the total issued share capital of our Company, and hence they will remain as a group of Controlling Shareholders.

## INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

The Controlling Shareholders confirm that as at the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after the Listing.

### **Management independence**

We are able to carry on our business independently from the Controlling Shareholders from a management perspective. Our Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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- (i) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;
- (ii) 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. For details of the industry experience of our senior management team, please refer to the section headed “Directors, Supervisors and Senior Management” in this prospectus;
- (iii) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;
- (iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting on any Board resolutions approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest and shall not be counted in the quorum presenting at the relevant Board meeting; and
- (v) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. For details, see “— Corporate Governance Measures” below in this section.

Based on the above, our Directors are satisfied that the Board as a whole, together with our senior management team, are able to perform the managerial role in our Group independently and capable of managing our business independently from the Controlling Shareholders and their respective close associates after the Listing.

### **Operational independence**

Our Directors consider that our operations do not depend on our Controlling Shareholders and their respective close associates for the following reasons:

- (i) our Group possesses sufficient capital, property, equipment, technology and human resources to operate its business independently, and holds all the relevant material licenses, qualifications, intellectual properties and permits required that are necessary for conducting our business;
- (ii) our Group has an established and complete organizational structure, comprising various separate departments each charged with specific responsibilities;

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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- (iii) our Group also has independent access to, among others, customers, suppliers and other resources required for our Group's business, and we operate our business independently, with independent rights to make and implement our operational decisions;
- (iv) we maintain a set of internal control procedures to facilitate the effective operation of our business. See "Business — Risk Management and Internal Control" for details; and
- (v) we have adopted a set of corporate governance practices and manuals, such as rules with respect to the shareholders' meeting, the board meeting, the board committees' meeting and the conduct of connected transactions, pursuant to relevant laws and regulations, to facilitate the effective operation of our business.

### Financial independence

We have established our own finance department with a team of independent financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control function of our Company, independent from our Controlling Shareholders. We can make financial decisions independently according to our business needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders who do not intervene with our use of funds. We have also established an independent and sound audit system, a standardized financial and accounting system and a complete financial management system. We have sufficient capital and banking facilities to operate our business independently, and have adequate internal resources and a strong credit profile to support our daily operations. We expect that we will not rely on our Controlling Shareholders and their respective close associates for financing after the Global Offering and we will have sufficient working capital to operate our business independently.

During the Track Record Period and up to the Latest Practicable Date, Mr. Liao and his spouse have provided guarantees (the "**Guarantees**") for certain bank loans of our Group. See Notes 24 and 32(a) to the Accountants' Report in Appendix I to this prospectus and "Financial Information — Indebtedness — Interest-bearing Bank Loans" in this prospectus for details. Notwithstanding the existence of the Guarantees, we believe that we are able to obtain new financing from independent financial institutions on normal commercial terms without reliance on our Controlling Shareholders and/or their respective close associates. We intend to release the Guarantees no later than the Listing. In the event that the Guarantees cannot be released prior to the Listing pursuant to their respective terms and conditions, our Group will repay the bank loans underlying those Guarantees.

Based on the above, our Directors are of the view that we are capable of carrying on our business independently from, and do not place undue reliance on, our Controlling Shareholders and their respective close associates after the Listing.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. Our Company would adopt the following corporate governance measures to manage potential conflict of interests between our Group and the Controlling Shareholders and their respective close associates upon Listing:

- (i) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (ii) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with a Controlling Shareholder or any of his/her/its associates, our Company will comply with the applicable Listing Rules;
- (iii) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and the Controlling Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (iv) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- (v) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;
- (vi) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and
- (vii) we have appointed Altus Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

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 Group and the Controlling Shareholders, and to protect minority Shareholders' interests after the Listing.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### BOARD OF DIRECTORS

Our Board of Directors consists of nine Directors, comprising four executive Directors, two non-executive Directors and three independent non-executive Directors. Our Board of Directors is responsible and has general powers for the management and conduct of our business.

The following table sets out certain information about our Directors:

Name	Age	Position(s)	Time of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationships with other Directors, Supervisors or senior management
<b>Executive Directors</b>						
Mr. Liao Yu (廖峪) . . . .	44	Chairman and executive Director	March 2015	March 4, 2015	Overall management, strategy planning and major decision-making of our Group	Brother-in-law of Ms. Wang Li
Mr. Tang Taike (唐泰可) . . .	50	Executive Director and chief technology officer	December 2016	May 4, 2017	Overseeing daily operations and management of our Group, as well as leading the overall technology development of our Group	N/A
Mr. Liu Bo (劉波) . . . .	46	Executive Director and General Manager	November 2020	January 20, 2025	Managing corporate operations and investor relations affairs of our Group	N/A
Ms. Wang Li (王麗) . . . .	41	Executive Director, chief financial officer, secretary of the Board and joint company secretary	January 2017	July 26, 2022	Overseeing the financial affairs of our Group	Sister-in-law of Mr. Liao

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Time of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationships with other Directors, Supervisors or senior management
<b>Non-executive Directors</b>						
Mr. Ruan Jianping (阮建平) . . .	53	Non-executive Director	September 2024	September 30, 2024	Providing strategic advice to our business and operations	N/A
Mr. Hua Zhangrong (華樟榮) (former name: Hua Zhangrong (華章榮)). . .	35	Non-executive Director	September 2024	September 30, 2024	Providing strategic advice to our business and operations	N/A
<b>Independent non-executive Directors</b>						
Ms. Cao Xiaoxue (曹曉雪) . . .	55	Independent non-executive Director	March 2023	March 8, 2023	Supervising and providing independent advice to our Board	N/A
Mr. Sang Yongsheng (桑永勝) . . .	51	Independent non-executive Director	March 2023	March 8, 2023	Supervising and providing independent advice to our Board	N/A
Mr. Bau Siu Fung (鮑小豐) . . .	58	Independent non-executive Director	October 2024	October 21, 2024	Supervising and providing independent advice to our Board	N/A

### Executive Directors

**Mr. Liao Yu (廖峪)**, aged 44, is our founder, Chairman and executive Director. Mr. Liao founded our Group and was appointed as a Director in March 2015. He was re-designated as an executive Director in October 2024. Mr. Liao is mainly responsible for the overall management, strategy planning and major decision-making of our Group. Mr. Liao also acts as the executive director of Nuobikan Chongqing, Haitang Dongsheng, Zhonggui Railway, Youjia Dongsheng and Zhongzhou Chuangzhi, as well as the general manager of Zhonggui Railway and the manager of Zhongzhou Chuangzhi. From December 2022 to June 2024, Mr. Liao served as the General Manager.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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From August 2007 to August 2016, Mr. Liao accumulated extensive experience in the information technology and AI sectors through his experiences of working as technical staff at other software development enterprises, namely Chengdu Ruizhishi Technology Co., Ltd.\* (成都銳之獅科技有限公司) and Chengdu Bulusi Video Technology Co., Ltd.\* (成都布露思視訊科技有限公司), where Mr. Liao was primarily responsible for software and technology development and management.

Mr. Liao obtained a master's degree in software engineering from Sichuan University (四川大學) in December 2008.

**Mr. Tang Taike (唐泰可)**, aged 50, is our executive Director and chief technology officer. Mr. Tang joined our Group in December 2016 as the chief technology officer of our Company. He was appointed as a Director in May 2017 and was re-designated as an executive Director in October 2024. Mr. Tang is mainly responsible for overseeing daily operations and management of our Group, as well as leading the overall technology development of our Group. Mr. Tang also serves as the supervisor of Zhonggui Railway and Zhongzhou Chuangzhi.

Prior to joining our Group, Mr. Tang accumulated extensive experience in the information technology and AI sectors through his experience of working as technical staff at a number of software development enterprises, where Mr. Tang was primarily responsible for software and technology development and management. From October 2001 to September 2003, Mr. Tang worked as a system development and maintenance engineer at Sichuan Yinhai Software Co., Ltd.\* (四川銀海軟件有限責任公司). From October 2003 to March 2004, Mr. Tang worked at Sichuan Qimingxing Yinhai Information Technology Co., Ltd.\* (四川啟明星銀海信息技術有限公司). From April 2004 to April 2005, Mr. Tang worked at Sichuan Zhongdian Qimingxing Information Technology Co., Ltd.\* (四川中電啟明星信息技術有限公司). From August 2005 to June 2007, Mr. Tang worked at the Chengdu representative office of ECWISE. INC. From September 2007 to February 2008, Mr. Tang worked as a technical director at Chengdu Ruizhishi Technology Co., Ltd.\* (成都銳之獅科技有限公司). From March 2008 to February 2009, Mr. Tang worked at Chengdu Bulusi Video Technology Co., Ltd.\* (成都布露思視訊科技有限公司). From February 2009 to September 2016, Mr. Tang worked as a technical director at Chengdu Ruizhishi Technology Co., Ltd.\* (成都銳之獅科技有限公司).

Mr. Tang graduated from Sichuan United University (四川聯合大學) (currently known as Sichuan University (四川大學)) with a bachelor's degree in library and information studies in July 1997.

**Mr. Liu Bo (劉波)**, aged 46, is our executive Director and General Manager, primarily responsible for managing corporate operations and investor relations affairs of our Group. Mr. Liu joined our Group in November 2020. He acted as the deputy general manager of our Company from March 2022 to June 2024, acted as the secretary of the Board of our Company from December 2022 to June 2024. Mr. Liu has been acting as our General Manager since June 2024 and one of the executive Directors since January 2025. Mr. Liu also serves as the manager of Nuobikan Chongqing, as well as the supervisor of Haitang Dongsheng and Youjia Dongsheng.



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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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From March 2007 to September 2016, Mr. Liu acted as the deputy general manager of Sichuan Qiangyou Computer Service Co., Ltd.\* (四川省強友計算機服務有限公司). From September 2016 to November 2020, Mr. Liu worked at Sichuan Province Ecological Civilization Promotion Association\* (四川省生態文明促進會).

Mr. Liu obtained his graduation certificate majoring in business management from the Central Radio and Television University (中央廣播電視大學) (currently known as the Open University of China (國家開放大學)) in July 2004.

**Ms. Wang Li (王麗)**, aged 41, is our executive Director, chief financial officer, secretary of the Board and joint company secretary. Ms. Wang joined our Group in January 2017 as the chief financial officer of our Company. She was appointed as a Director in July 2022 and was re-designated as an executive Director in October 2024. Ms. Wang is mainly responsible for overseeing the financial affairs of our Group. Ms. Wang has been acting as the secretary of the Board since June 2024 and has been acting as the joint company secretary since October 2024.

Prior to joining our Group, from February 2015 to December 2017, Ms. Wang worked at Chengdu Hao Xu Accounting Consulting Co., Ltd.\* (成都昊栩會計諮詢有限公司). She has been acting as the supervisor of the same company since May 2016.

Ms. Wang obtained her graduation certificate majoring in accounting from the Central Radio and Television University (中央廣播電視大學) (currently known as the Open University of China (國家開放大學)) in July 2010. Ms. Wang obtained the intermediate accounting professional qualification issued by the Ministry of Human Resources and Social Security (中華人民共和國人力資源和社會保障部) and the Ministry of Finance (中華人民共和國財政部) in September 2020.

### Non-executive Directors

**Mr. Ruan Jianping (阮建平)**, aged 53, is our non-executive Director. Mr. Ruan was appointed as a Director in September 2024 and was re-designated as a non-executive Director in October 2024. Mr. Ruan is mainly responsible for providing strategic advice to our business and operations.

Mr. Ruan has been acting as the director of Shanghai Bojiang since April 2019, where he is mainly responsible for the management of the risk control, legal and funds department. Since June 2023, Mr. Ruan has been acting as an executive Director of Brand General Holding.

Mr. Ruan graduated from Zhejiang Gongshang University (浙江工商大學) with a bachelor's degree in accounting in June 2004, and obtained a master's degree of business administration from Peking University (北京大學) in July 2021. Mr. Ruan obtained the fund practitioner qualification certificate (中國證券投資基金業從業證書) from the Asset Management Association of China (中國證券投資基金業協會) in September 2018.



## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Ruan was a supervisor of the following entities prior to their dissolution with details as below:

Entity name	Place of incorporation	Principal business activity before dissolution	Means of dissolution	Date of dissolution	Reason for dissolution
Beijing Bojiang Film Culture Co., Ltd.* (北京博將影視文化有限公司) . . . . .	PRC	Inactive since establishment	Deregistration	February 24, 2021	Voluntary dissolution
Shangri-La City Footprint Brothers Technology Co. Ltd.* (香格里市腳印兄弟科技有限公司) .	PRC	Online car rental	Deregistration	June 27, 2023	Voluntary dissolution

As confirmed by Mr. Ruan, (i) each of the above entities was solvent immediately prior to its dissolution; (ii) there was no wrongful act on his part leading to the dissolution; (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution of the above entities; and (iv) each of the above entities was in compliance with the relevant laws and regulations in all material respects prior to its dissolution.

**Mr. Hua Zhangrong (華樟榮)** (with former name as Hua Zhangrong (華章榮)) , aged 35, is our non-executive Director. Mr. Hua was appointed as a Director in September 2024 and was re-designated as a non-executive Director in October 2024. Mr. Hua is mainly responsible for providing strategic advice to our business and operations.

From October 2013 to August 2017, Mr. Hua worked at Yong Zheng Sensing (Hangzhou) Co., Ltd.\* (永正傳感(杭州)有限公司). Mr. Hua is currently working as an advanced sales representative at Zhejiang Sheng Nuo Meng Gujia Sponge Co., Ltd.\* (浙江聖諾盟顧家海綿有限公司), a subsidiary of Sinomax Group Limited, a company whose shares are listed on the Stock Exchange (stock code: 1418).

Mr. Hua obtained his bachelor's degree majoring in mechanical design and automation from Zhejiang A&F University (浙江農林大學) in June 2013.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Mr. Hua was the director and legal representative of the following entity prior to its dissolution with details as below:

Entity name	Place of incorporation	Principal business activity before dissolution	Means of dissolution	Date of dissolution	Reason for dissolution
Shanghai Xi Yue Industrial Co., Ltd.* (上海熙月實業有限公司) .	PRC	Trading of industrial products	Deregistration	3 July 2024	Voluntary dissolution

As confirmed by Mr. Hua, (i) the above entity was solvent immediately prior to its dissolution; (ii) there was no wrongful act on his part leading to the dissolution; (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution of the above entity; and (iv) the above entity was in compliance with the relevant laws and regulation in all material respects prior to its dissolution.

### Independent non-executive Directors

**Ms. Cao Xiaoxue (曹曉雪)**, aged 55, is our independent non-executive Director. Ms. Cao was appointed as an independent Director in March 2023 and was subsequently reconfirmed as an independent non-executive Director in October 2024. Ms. Cao is primary responsible for supervising and providing independent advice to our Board.

Ms. Cao has been working at Jilin University of Finance and Economics (吉林財經大學) (previously known as the School of Accounting of Changchun Taxation College (長春稅務學院) and Jilin College of Finance and Trade (吉林財貿學院)) since July 1995, and her current position is a professor at the School of Accounting. Ms. Cao successively worked as a teaching assistant, a lecturer and an associate professor at Jilin University of Finance and Economics from July 1995 to September 2010. Ms. Cao has been serving as a research expert of the Jilin Provincial Accounting Society (吉林省會計學會) since May 2022, and a management accounting consulting expert for the Department of Finance of Jilin Provincial (吉林省財政廳) since January 2023.

Ms. Cao obtained her bachelor's degree majoring in accounting from Jilin University of Finance and Economics (吉林財經大學) in July 1992. Ms. Cao obtained a master's degree in economics from the same university in June 1995. In June 2004, Ms. Cao graduated from China University of Mining & Technology (中國礦業大學) with a doctor's degree in management. Ms. Cao obtained a Professor Qualification Certificate in Accounting (會計學教授資格) from the Department of Human Resources and Social Security Department of Jilin Province (吉林省人力資源和社會保障廳) in September 2010.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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**Mr. Sang Yongsheng (桑永勝)**, aged 51, is our independent non-executive Director. Mr. Sang was appointed as an independent Director in March 2023 and was subsequently reconfirmed as an independent non-executive Director in October 2024. Mr. Sang is primary responsible for supervising and providing independent advice to our Board.

Since July 2011, Mr. Sang has been working at the School of Computer Science of Sichuan University (四川大學) and his current position is an associate professor. He has also been serving as the chief secretary of the Big Data Special Committee\* (大數據專委會) of the Sichuan Province Computer Federation\* (四川省計算機學會) since June 2016.

Mr. Sang graduated from University of Electronic Science and Technology of China (電子科技大學) with a doctor's degree in computer application technology in December 2010.

**Mr. Bau Siu Fung (鮑小豐)**, aged 58, is our independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Bau served as an auditor at KPMG (Hong Kong) and KPMG Huazhen LLP, both auditing and financial services firms, from June 2004 to October 2011, where he served as a manager at the time of leaving. Mr. Bau then served as an executive director from June 2012 to January 2017, and the chief financial officer and company secretary from June 2012 to September 2017, of Sheen Tai Holdings Group Company Limited, a conglomerate company listed on the Stock Exchange (stock code: 1335), where he was responsible for its financial management and compliance matters. Mr. Bau then served as an executive Director, the chief financial officer and company secretary of Chen Lin Education Group Holdings Limited, a higher-education provision company listed on the Stock Exchange (stock code: 1593), primarily responsible for formulating financial strategies, from September 2018 to May 2021. Mr. Bau served at Fulcrum Global (Hong Kong) Limited, an investment management company from May 2021 to August 2022, where he left as its managing director, finance.

Mr. Bau has been serving as an independent non-executive director of various companies listed on the Stock Exchange, primarily responsible for providing independent advice to the respective boards. Mr. Bau has been serving as an independent non-executive director of AUX International Holdings Limited, an investment holding company listed on the Stock Exchange (stock code: 2080) since May 2015, and of FSM Holdings Limited, a company which is a sheet metal fabricator with a focus on precision engineering and a precision machine service provider, listed on the Stock Exchange (stock code: 1721) since June 2018.

Mr. Bau is currently a member of the Hong Kong Institute of Certified Public Accountants. Mr. Bau graduated from Idaho State University with a bachelor of business administration in Accounting and Finance in the United States in August 1997.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### Former executive Director and chief marketing officer

In December 2021, we appointed Mr. Sun Yuchuan (孫毓川) as one of our executive Director and the chief marketing officer of our Group, primarily responsible for overseeing our daily operations and leading our Group's commercialization and marketing affairs. In January 2025, Mr. Sun resigned from his positions within our Group due to his intention to concentrate on his family and personal affairs. After his resignation, Mr. Sun ceased to hold any position within our Group.

Mr. Sun has confirmed that he has no disagreement with our Company, the Board or the senior management of our Company, and there was no other matter in relation to his resignation that need to be brought to the attention of the Shareholders or the Stock Exchange. Responsibilities of Mr. Sun as our executive Director and the chief marketing officer of our Company have been assumed by other executive Directors and senior management of our Company.

### SUPERVISORY COMMITTEE

Our Supervisory Committee consists of three members, who are appointed for a term of three years and eligible for re-election upon expiry of their term of office.

The following table sets out certain information of our Supervisors.

Name	Age	Position(s)	Time of joining our Group	Date of appointment as Supervisor	Roles and responsibilities	Relationships with other Directors, Supervisors or senior management
Mr. Lin Renhui (林仁輝)	40	Chairman of Supervisory Committee and research and development director	September 2016	August 6, 2019	Directing the activities of our Supervisory Committee, monitoring and supervising our operational and financial activities and performing other supervisory duties as a Supervisor and supervising the day-to-day technology development affairs of our Group	N/A

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Time of joining our Group	Date of appointment as Supervisor	Roles and responsibilities	Relationships with other Directors, Supervisors or senior management
Mr. Jiang Dengming (姜登明) .	39	Supervisor	April 2022	April 30, 2022	Monitoring and supervising our operational and financial activities and performing other supervisory duties as a Supervisor	N/A
Mr. Wang Wei (王威) (former name: Wang Jian (王建)) . .	38	Employee representative Supervisor and research and development director	October 2018	December 4, 2022	Monitoring and supervising our operational and financial activities, performing other supervisory duties as a Supervisor and supervising the day-to-day technology development affairs of our Group	N/A

**Mr. Lin Renhui (林仁輝)**, aged 40, is the chairman of our Supervisory Committee and research and development director. Mr. Lin is primary responsible for directing the activities of our Supervisory Committee, monitoring and supervising our operational and financial activities and performing other supervisory duties as a Supervisor and supervising the day-to-day technology development affairs of our Group. Mr. Lin has been acting as the research and development director since September 2016 and has been acting as the Supervisor since August 2019. Prior to joining our Group, from January 2010 to June 2016, Mr. Lin worked at Chengdu Ruizhishi Technology Co., Ltd.\* (成都銳之獅科技有限公司).

Mr. Lin obtained a bachelor's degree in computer science and technology from Sichuan Agricultural University (四川農業大學) in June 2008.

**Mr. Jiang Dengming (姜登明)**, aged 39, is our Supervisor. Mr. Jiang is primary responsible for monitoring and supervising our operational and financial activities and performing other supervisory duties as a Supervisor. Mr. Jiang has been acting as a Supervisor since April 2022. Mr. Jiang is the investment director of Beijing Heng Kuan Pufeng International Equity Investment Management Co., Ltd.\* (北京衡寬普豐國際創業投資管理有限公司) (previously known as Beijing Yi Zhuang Pufeng International Venture Investment Management Co., Ltd.\* (北京亦莊普豐國際創業投資管理有限公司)).

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Mr. Jiang obtained a master's degree in business administration from Renmin University of China (中國人民大學) in June 2021. Mr. Jiang also obtained the senior information system project management practitioner qualification (高級信息系統項目管理師) issued by the Ministry of Human Resources and Social Security (中華人民共和國人力資源和社會保障部) and the MIIT in May 2018.

**Mr. Wang Wei (王威)** (with former name as Wang Jian (王建)), aged 38, is our employee representative Supervisor and research and development director. Mr. Wang is primary responsible for monitoring and supervising our operational and financial activities, performing other supervisory duties as a Supervisor and supervising the day-to-day technology development affairs of our Group. Mr. Wang Wei has been acting as the research and development director since October 2018 and has been acting as a Supervisor since December 2022.

Prior to joining our Group, from August 2013 to July 2015, Mr. Wang worked at Chengdu Aerospace Communication Equipment Co., Ltd.\* (成都航天通信設備有限公司). From July 2015 to October 2018, Mr. Wang worked at Sichuan Southwest Jiaotong Railway Development Co., Ltd.\* (四川西南交大鐵路發展有限公司).

Mr. Wang graduated from the University of Electronic Science and Technology of China (電子科技大學) with a master's degree in electronic and communication engineering in June 2013.

### SENIOR MANAGEMENT

Our senior management members are responsible for the day-to-day operations and management of the business of our Group. Our senior management team comprises all of our executive Directors. See “Board of Directors — Executive Directors” above for their biographical details.

### OTHER INFORMATION

Save as disclosed above, (i) each of our Directors, Supervisors and members of senior management has not been a director of any public company whose securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this prospectus; and (ii) none of our Directors, Supervisors and members of the senior management is related to other Directors, Supervisors, members of the senior management and/or Controlling Shareholders.

Our Directors (excluding our independent non-executive Directors) have confirmed that none of them has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Save as disclosed above, to the best knowledge, information and belief of our Directors and Supervisors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors and Supervisors that needs to be brought to the attention of the Shareholders, and there was no information relating to our Directors and Supervisors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and no other matters are required to be brought to the attention of Shareholders as at the Latest Practicable Date.

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 October 14, 2024, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

### JOINT COMPANY SECRETARIES

Ms. Wang Li acts as one of our joint company secretaries. See “— Board of Directors — Executive Directors” above for details of her biography.

**Ms. Wong Hoi Ting (黃凱婷)** is the other joint company secretary of our Company. She currently serves as a manager in the listing services department of TMF Hong Kong Limited. She is responsible for providing corporate secretarial and compliance services to listed companies.

Ms. Wong has approximately ten years of experience in the corporate secretarial field. She obtained her bachelor’s degree in social sciences from Lingnan University (嶺南大學) in Hong Kong in October 2009. She further obtained her master of science degree in professional accounting and corporate governance from City University of Hong Kong (香港城市大學) in Hong Kong in July 2014. Ms. Wong is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) in Hong Kong and The Chartered Governance Institute in the United Kingdom.

### BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), we have established four committees on our Board of Directors, including an audit committee, a remuneration committee, a nomination committee and a strategy committee.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Ms. Cao Xiaoxue, Mr. Bau Siu Fung (who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules) and Mr. Hua Zhangrong, with Ms. Cao Xiaoxue acting as the chairlady. The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company and reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency; and
- dealing with other matters that are authorized by our Board.

### Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules, paragraph E.1 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration Committee consists of three Directors, namely Mr. Bau Siu Fung, Mr. Sang Yongsheng and Mr. Liao Yu, with Mr. Bau Siu Fung acting as the chairman. The primary duties of the Remuneration Committee include, but not limited to, the following:

- formulating individual remuneration plans for Directors, Supervisors and members of the senior management in accordance with the terms of reference of the importance of their positions, the time they spend on such positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies;
- examining the criteria of performance evaluation of Directors, Supervisors and the senior management of our Company, conducting performance evaluation and making recommendations to our Board;
- supervising the implementation of the remuneration plan of our Company; and



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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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- dealing with other matters that are authorized by our Board, and if necessary.

### **Nomination Committee**

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules, paragraph B.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Mr. Sang Yongsheng, Mr. Bau Siu Fung and Mr. Tang Taike, with Mr. Sang Yongsheng acting as the chairman. The primary functions of the Nomination Committee include, but not limited to, the following:

- making recommendations to our Board with regards to the size and composition of our Board based on our Company's business operation, asset scale and equity structure;
- researching and developing standards and procedures for the election of our Board members, General Manager and members of the senior management, and making recommendations to our Board;
- examining our Board candidates, General Manager and members of the senior management and making recommendations to our Board;
- assessing and reviewing the independence of independent non-executive Directors; and
- dealing with other matters that are authorized by our Board.

### **Strategy Committee**

We have established the Strategy Committee consists of five Directors, namely Mr. Liao Yu, Ms. Cao Xiaoxue, Mr. Ruan Jianping, Mr. Liu Bo and Mr. Hua Zhangrong, with Mr. Liao Yu acting as the chairman. The primary duties of the Strategy Committee include, but not limited to, the following:

- reviewing our Company's long-term development strategies, major investment decisions and other important matters affecting our Company's development;
- providing recommendations with respect to key strategic initiatives;
- assisting our Board in establishing the strategic planning process, identifying and addressing organizational challenges and evaluating strategic alternatives; and
- dealing with other matters that are authorized by our Board.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### CORPORATE GOVERNANCE CODE

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the Listing.

### BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in our Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. 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 range of diversity perspectives with reference to our Company’s business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service. Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and marketing. They obtained degrees in various majors including but not limited to engineering, computer science, accounting, law and business administration. Furthermore, our Board has a relatively wide range of ages, ranging from 35 years old to 58 years old with experience from different industries, sectors and genders.

We will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will encourage our incumbent Board members to recommend female candidate directors and take other actions to help achieve greater board diversity, for example inviting some of our outstanding female staff at mid to senior level to attend and observe Board meeting. This will allow our Board to understand more about these potential female candidates before they are nominated to our Board and provide opportunities for potential female candidates to prepare themselves for director duties. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff including but not limited to business operation, management, accounting and finance, legal and compliance. As such, we are of the view that our Board will be offered chances to identify competent female staff at mid to senior level to be nominated as a Director in future with a pipeline of female candidates.

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## **DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

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We are committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of our Company to enhance the effectiveness of corporate governance of our Company as a whole.

Upon Listing, our Board comprises seven male members and two female members. Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the Listing, our Nomination Committee will review the board diversity policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

### **MANAGEMENT PRESENCE**

Rule 8.12 of the Listing Rules provides that an applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinary resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with Rule 8.12 of the Listing Rules. For further details, see “Waivers from Strict Compliance with the Listing Rules — Waiver in respect of Management Presence in Hong Kong” in this prospectus.

### **REMUNERATION AND COMPENSATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

Our Directors, Supervisors and senior management receive compensation from our Group in the form of salaries, social security, housing benefits and other employee benefits, the employer’s contribution to the pension plans and discretionary bonuses.

The aggregate emoluments received by our Directors were approximately RMB1.6 million, RMB2.4 million, RMB3.0 million and RMB1.6 million for the years ended December 31, 2022, 2023 and 2024, as well as the six months ended June 30, 2025, respectively.

The aggregate emoluments received by our Supervisors were approximately RMB0.5 million, RMB1.1 million, RMB1.3 million and RMB0.6 million for the years ended December 31, 2022, 2023 and 2024, as well as the six months ended June 30, 2025, respectively.

The five highest paid employees during the Track Record Period included three, two, one and two Directors; and nil, two, one and one Supervisor. The aggregate emoluments paid to our Company’s five highest paid employees, excluding our Directors, Supervisors and the chief executive were approximately RMB0.9 million, RMB0.6 million, RMB2.3 million and RMB0.9 million for the years ended December 31, 2022, 2023 and 2024, as well as the six months ended June 30, 2025, respectively.

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## **DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

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For additional information on Directors' and Supervisors' emoluments during the Track Record Period as well as information on the highest paid individuals, please see Note 8 and Note 9 of the Accountants' Report set out in Appendix I to this Prospectus.

Pursuant to the arrangements currently in force, the aggregate amount of remuneration (excluding discretionary bonus) payable to and the benefits in kind receivable by our Directors and Supervisors for the year ending December 31, 2025 is estimated to be approximately RMB3.7 million.

We confirmed that during the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid employees as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company. During the Track Record Period, none of our Directors or Supervisors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiary to our Directors, Supervisors or the five highest paid individuals during the Track Record Period.

### **COMPLIANCE ADVISOR**

We have appointed Altus Capital Limited as our compliance advisor upon the proposed Listing pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report required by regulatory authorities or applicable laws;
- where a transaction, which might be notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues and share repurchases;
- where we propose to use proceeds of the Global Offering in a manner different from that detailed in this prospectus;
- where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules regarding unusual movements in the price or trading volume of our Shares.

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## **DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

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Pursuant to Rule 3A.24 of the Listing Rules, our compliance advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The compliance advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the Listing Date and end on the date on which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date, and such appointment may be subject to mutual agreement.

## SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), each of the following persons will have an interest and/or short position in Shares or the underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to 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 rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of Interest	As at the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)			
		Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the issued share capital of our Company <sup>(2)</sup>	Number of Shares <sup>(1)</sup>	Description of Shares	Approximate percentage of shareholding in the Unlisted Shares/ H Shares <sup>(3)</sup>	Approximate percentage of shareholding in the total issued share capital of our Company <sup>(3)</sup>
Mr. Liao . . . . .	Beneficial owner; interest in controlled corporations <sup>(4)</sup> ; interest held jointly with another person <sup>(5)</sup>	17,427,967	51.1%	4,470,016	Unlisted Shares	60.1%	11.8%
				12,957,951	H Shares	42.6%	34.2%
Tieke Chuangzhi . . .	Beneficial owner; interest held jointly with another person <sup>(6)</sup>	17,427,967	51.1%	4,470,016	Unlisted Shares	60.1%	11.8%
				12,957,951	H Shares	42.6%	34.2%
Tieke Intelligent . . .	Beneficial owner; interest held jointly with another person <sup>(7)</sup>	17,427,967	51.1%	4,470,016	Unlisted Shares	60.1%	11.8%
				12,957,951	H Shares	42.6%	34.2%

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of Interest	As at the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)			
		Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the issued share capital of our Company <sup>(2)</sup>	Number of Shares <sup>(1)</sup>	Description of Shares	Approximate percentage of shareholding in the Unlisted Shares/ H Shares <sup>(3)</sup>	Approximate percentage of shareholding in the total issued share capital of our Company <sup>(3)</sup>
Tang Taike . . . . .	Beneficial owner; interest held jointly with another person <sup>(8)</sup>	17,427,967	51.1%	4,470,016	Unlisted Shares	60.1%	11.8%
				12,957,951	H Shares	42.6%	34.2%
Lin Renhui . . . . .	Beneficial owner; interest held jointly with another person <sup>(9)</sup>	17,427,967	51.1%	4,470,016	Unlisted Shares	60.1%	11.8%
				12,957,951	H Shares	42.6%	34.2%
Su Maocai . . . . .	Beneficial owner; interest held jointly with another person <sup>(10)</sup>	17,427,967	51.1%	4,470,016	Unlisted Shares	60.1%	11.8%
				12,957,951	H Shares	42.6%	34.2%
Ms. Wang Ronghua (王榮華) . . . . .	Interest of spouse <sup>(11)</sup>	17,427,967	51.1%	4,470,016	Unlisted Shares	60.1%	11.8%
				12,957,951	H Shares	42.6%	34.2%
Shanghai Bojiang . . . . .	Interest in controlled corporations <sup>(12)</sup>	5,464,660	16.0%	5,464,600	H Shares	18.0%	14.4%
Bojiang Group Co., Ltd.* (博將集團有限公司) (“Bojiang Group”) . . . . .	Interest in controlled corporations <sup>(12)</sup>	5,464,660	16.0%	5,464,600	H Shares	18.0%	14.4%

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of Interest	As at the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)			
		Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the issued share capital of our Company <sup>(2)</sup>	Number of Shares <sup>(1)</sup>	Description of Shares	Approximate percentage of shareholding in the Unlisted Shares/H Shares <sup>(3)</sup>	Approximate percentage of shareholding in the total issued share capital of our Company <sup>(3)</sup>
Hangzhou Hanrui Enterprise Management Co., Ltd.* (杭州翰瑞企業管理有限公司) (“ <b>Hangzhou Hanrui</b> ”) . . . . .	Interest in controlled corporations <sup>(12)</sup>	5,464,660	16.0%	5,464,600	H Shares	18.0%	14.4%
Hanrui Enterprise Management (Hangzhou) Co., Ltd.* (漢瑞企業管理(杭州)有限公司) (“ <b>Hanrui Enterprise</b> ”) . . . . .	Interest in controlled corporations <sup>(12)</sup>	5,464,660	16.0%	5,464,600	H Shares	18.0%	14.4%
Broad General Capital Limited (“ <b>Broad Capital</b> ”) . . . . .	Interest in controlled corporations <sup>(12)</sup>	5,464,660	16.0%	5,464,600	H Shares	18.0%	14.4%
Broad General Holding . . . . .	Interest in controlled corporations <sup>(12)</sup>	5,464,660	16.0%	5,464,600	H Shares	18.0%	14.4%
Luo Tian (羅閼). . . . .	Interest in controlled corporations <sup>(12)</sup>	5,464,660	16.0%	5,464,600	H Shares	18.0%	14.4%
Yang Mengqiao (楊夢樵). . . . .	Interest in controlled corporations <sup>(12)</sup>	5,464,660	16.0%	5,464,600	H Shares	18.0%	14.4%



## SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of Interest	As at the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)			
		Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the issued share capital of our Company <sup>(2)</sup>	Number of Shares <sup>(1)</sup>	Description of Shares	Approximate percentage of shareholding in the Unlisted Shares/ <sup>(3)</sup> H Shares <sup>(3)</sup>	Approximate percentage of shareholding in the total issued share capital of our Company <sup>(3)</sup>
Chengdu Innovation Investment Group Co., Ltd.* (成都創新風險投資有限公司) (“Chengdu Innovation Investment”)	Interest in controlled corporations <sup>(13)</sup> ; interest held jointly with another person <sup>(14)</sup>	2,040,000	6.0%	1,560,480	H Shares	5.1%	4.1%
				479,520	Unlisted Shares	6.5%	1.3%
Chengdu Industrial Investment Group Co., Ltd.* (成都產業投資集團有限公司) (“Chengdu Industrial Investment”)	Interest in controlled corporations <sup>(13)</sup> ; interest held jointly with another person <sup>(14)</sup>	2,040,000	6.0%	1,560,480	H Shares	5.1%	4.1%
				479,520	Unlisted Shares	6.5%	1.3%

**Notes:**

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 34,080,000 Shares in issue as at the Latest Practicable Date.
- (3) The calculation is based on the total number of 37,866,600 Shares (consisting of 7,432,022 Unlisted Shares and 30,434,578 H Shares) in issue immediately after the completion of the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Over-allotment Option).
- (4) As at the Latest Practicable Date, Mr. Liao is the beneficial owner of 11,175,039 Shares. Also, Mr. Liao acts as the general partner of Tieke Chuangzhi (holding 2,281,459 Shares) and Tieke Intelligent (holding 633,726 Shares). Accordingly, Mr. Liao is deemed to be interested in such number of Shares held by Tieke Chuangzhi and Tieke Intelligent under the SFO.
- (5) As at the Latest Practicable Date, Mr. Liao is the beneficial owner of 11,175,039 Shares. Also, Mr. Liao is deemed to be interested in 6,252,928 Shares as a result of being a party acting-in-concert with Tang Taike, Lin Renhui, Su Maocai, Tieke Chuangzhi and Tieke Intelligent pursuant to the Concert Party Agreements.
- (6) As at the Latest Practicable Date, Tieke Chuangzhi is deemed to be interested in 15,146,508 Shares as a result of being a party acting-in-concert with Mr. Liao, Tang Taike, Lin Renhui, Su Maocai and Tieke Intelligent pursuant to the Concert Party Agreements.
- (7) As at the Latest Practicable Date, Tieke Intelligent is deemed to be interested in 16,794,241 Shares as a result of being a party acting-in-concert with Mr. Liao, Tang Taike, Lin Renhui, Su Maocai and Tieke Chuangzhi pursuant to the Concert Party Agreements.

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## SUBSTANTIAL SHAREHOLDERS

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- (8) As at the Latest Practicable Date, the Shares in which Tang Taike is interested consist of (i) 1,112,581 Shares held by him in his own capacity; and (ii) 16,315,386 Shares in which Tang Taike is deemed to be interested as a result of being a party acting-in-concert with Mr. Liao, Lin Renhui, Su Maocai, Tieke Chuangzhi and Tieke Intelligent pursuant to the Concert Party Agreements.
- (9) As at the Latest Practicable Date, the Shares in which Lin Renhui is interested consist of (i) 1,112,581 Shares held by him in his own capacity; and (ii) 16,315,386 Shares in which Lin Renhui is deemed to be interested as a result of being a party acting-in-concert with Mr. Liao, Tang Taike, Su Maocai, Tieke Chuangzhi and Tieke Intelligent pursuant to the Concert Party Agreements.
- (10) As at the Latest Practicable Date, the Shares in which Su Maocai is interested consist of (i) 1,112,581 Shares held by him in his own capacity; and (ii) 16,315,386 Shares in which Su Maocai is deemed to be interested as a result of being a party acting-in-concert with Mr. Liao, Tang Taike, Lin Renhui, Tieke Chuangzhi and Tieke Intelligent.
- (11) Ms. Wang Ronghua is the spouse of Mr. Liao. Accordingly, Ms. Wang Ronghua is deemed to be interested in such number of Shares that Mr. Liao is interested in under the SFO.
- (12) As at the Latest Practicable Date, Shanghai Bojiang is the general partner of each of Bojiang Entities (i.e. Bojiang Furui (holding 2,057,140 Shares), Bojiang Chuangfu (holding 1,028,572 Shares), Bojiang Xingyi (holding 451,129 Shares), Bojiang Tech Innovation (holding 676,690 Shares), Bojiang Yueheng (holding 451,129 Shares), Bojiang Hongda (holding 250,000 Shares), Bojiang Junjing (holding 300,000 Shares) and Bojiang Dingsheng (holding 250,000 Shares)). Shanghai Bojiang is wholly-owned by Bojiang Group, which in turn is wholly-owned by Hangzhou Hanrui; Hangzhou Hanrui is wholly-owned by Hanrui Enterprise, which in turn is wholly-owned by Broad Capital; and Broad Capital is wholly-owned by Broad General Holding. The Controlling Shareholders of Broad General Holding is Lou Tian and his spouse, Yang Mengqiao. Accordingly, each of Shanghai Bojiang, Bojiang Group, Hangzhou Hanrui, Hanrui Enterprise, Broad Capital, Broad General Holding, Luo Tian and Yang Mengqiao is deemed to be interested in such number of Shares held by Bojiang Entities under the SFO.
- (13) As at the Latest Practicable Date, Chengdu Innovation Investment is deemed to be interested in all the Shares held by each of Rongchuang Zibo (holding 1,000,000 Shares), Chengdu Wutongshu (holding 80,000 Shares), Chengyu Fund (holding 480,000 Shares), and Chengdu Wufa (holding 479,520 Shares) in our Company under the SFO, details are as follows:
- (i) Rongchuang Zibo is owned as to 0.3% by its general partner, Chengdu Venture Capital, which in turn is controlled by Chengdu Innovation Investment, which is also a limited partner holding 97.6% partnership interest in Rongchuang Zibo;
  - (ii) Chengdu Wutongshu is held as to 0.05% by its general partner, Chengdu Jizhuan Venture Capital Co., Ltd.\* (成都技轉創業投資有限公司) (“**Jizhuan Venture Capital**”), which is wholly-controlled by Chengdu Innovation Investment, which also acts as the sole limited partner of Chengdu Wutongshu;
  - (iii) Chengyu Fund is held as to 0.1% by its general partner, Jizhuan Venture Capital, which is a wholly-owned subsidiary of Chengdu Innovation Investment. Chengdu Wutongshu is the single largest limited partner of Chengyu Fund, holding 54.8% of partnership interest in Chengyu Fund; and
  - (iv) Chengdu Wufa is held as to 51.0% by Chengdu Innovation Investment.
- Further, as at the Latest Practicable Date, Chengdu Innovation Investment is controlled by Chengdu Industrial Investment, which in turn is controlled by SASAC of Chengdu Municipal Government. Therefore, Chengdu Industrial Investment is also deemed to be interested in all the Shares held by each of Rongchuang Zibo, Chengdu Wutongshu, Chengyu Fund and Chengdu Wufa under the SFO.
- (14) As at the Latest Practicable Date, Chengdu Tongchuang is a party acting-in-concert with Chengdu Wufa. Accordingly, Chengdu Wufa, Chengdu Innovation Investment and Chengdu Industrial Investment are deemed to be interested in 480 Shares held by Chengdu Tongchuang in our Company under the SFO.

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## **SUBSTANTIAL SHAREHOLDERS**

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Save as disclosed above, our Directors are not aware of any persons who will, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), have an interest and/or short positions in Shares or the underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any of our subsidiaries. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

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## SHARE CAPITAL

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### OUR SHARE CAPITAL

The following is a description of the share capital of our Company prior to and upon the completion of the Global Offering:

#### Prior to the Global Offering

As of the Latest Practicable Date, the share capital of our Company was RMB34,080,000 comprising 34,080,000 Unlisted Shares with a nominal value of RMB1.0 each.

#### Upon the completion of the Global Offering

Immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of shares	Approximate percentage to the total issued share capital of our Company
Unlisted Shares in issue . . . . .	7,432,022	19.6%
H Shares converted from Unlisted Shares <sup>(1)</sup> . . . . .	26,647,978	70.4%
H Shares to be issued pursuant to the Global Offering . . . . .	3,786,600	10.0%
<b>Total</b> . . . . .	<b>37,866,600</b>	<b>100.0%</b>

Immediately upon completion of the Global Offering, assuming the Over-allotment Option is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of shares	Approximate percentage to the total issued share capital
Unlisted Shares in issue . . . . .	7,432,022	19.4%
H Shares converted from Unlisted Shares <sup>(1)</sup> . . . . .	26,647,978	69.3%
H Shares to be issued pursuant to the Global Offering . . . . .	4,354,550	11.3%
<b>Total</b> . . . . .	<b>38,434,550</b>	<b>100.0%</b>

*Note:*

1. Immediately following the completion of the Global Offering and according to the notification on completion of filing procedures issued by the CSRC on November 11, 2025, 26,647,978 Unlisted Shares will be converted into H Shares on a one-for-one basis and listed on the Stock Exchange for trading.

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## SHARE CAPITAL

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### RANKING

Upon completion of and the Global Offering and conversion of 26,647,978 Unlisted Shares into H Shares (assuming the Over-allotment Option is not exercised), our Company would have 7,432,022 Unlisted Shares and 30,434,578 H Shares. The Unlisted Shares are currently not listed or traded on any stock exchange or authorized trading facility. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as the same class of Shares.

Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded among legal and natural persons of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all other respects and will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

### CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC and our Articles of Association, the holders of our Unlisted Shares may, at their own option, authorise our Company to file to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been approved by the/have completed the filing procedures with securities regulatory authorities, including the CSRC. Additionally, such conversion, trading and listing shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Hong Kong Stock Exchange, such conversion, listing and trading will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Hong Kong Stock Exchange.

## SHARE CAPITAL

### Register with the CSRC and Full Circulation Application

In accordance with the Trial Administrative Measures and related guidelines, H-share listed companies which apply for the conversion of domestic unlisted shares into H shares for listing and circulation on the Hong Kong Stock Exchange shall register with the CSRC by filing materials on key compliance issues. An unlisted domestic joint-stock company with limited liability may apply for “full circulation” when applying for an overseas initial public offering.

We applied for a “full circulation” filing when filing with the CSRC for an overseas listing, and submitted the filing reports, authorization documents of the shareholders of Unlisted Shares which applied for the H-share “full circulation”, undertaking on the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

We have received the filing notification from the CSRC dated November 11, 2025 in relation to the registration of the overseas listing and “full circulation”, pursuant to which (i) we are approved to issue no more than 4,354,550 H Shares with a nominal value of RMB1.0 each, which are all ordinary shares of our Company, and we may be listed on the Main Board of the Hong Kong Stock Exchange; (ii) certain Shareholders (the “**Full Circulation Participating Shareholders**”) could convert 26,647,978 Unlisted Shares into H Shares on a one-for-one basis (“**Conversion of Unlisted Shares into H Shares**”) upon the completion of the Global Offering, the details of which are set out as below:

Full Circulation Participating Shareholders	Number of Converted Shares	Percentage of shareholding immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)
Mr. Liao . . . . .	6,705,023	17.7%
Zhang Xiaojun . . . . .	1,668,872	4.4%
Lin Renhui . . . . .	1,112,581	2.9%
Zheng Sanzhong . . . . .	1,000,872	2.6%
Tang Taike . . . . .	1,112,581	2.9%
Su Maocai . . . . .	1,112,581	2.9%
Li Peng . . . . .	226,166	0.6%
Tieke Chuangzhi . . . . .	2,281,459	6.0%
Tieke Intelligent . . . . .	633,726	1.7%
Bojiang Furui . . . . .	2,057,140	5.4%
Bojiang Chuangfu . . . . .	1,028,572	2.7%
Fan Zhihe . . . . .	135,339	0.4%
Wei Wenyan . . . . .	270,678	0.7%
Bojiang Xingyi . . . . .	451,129	1.2%
Bojiang Tech Innovation . . . .	676,690	1.8%

## SHARE CAPITAL

Full Circulation Participating Shareholders	Number of Converted Shares	Percentage of shareholding immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)
Pufeng Investment . . . . .	1,127,819	3.0%
Bojiang Yueheng . . . . .	451,129	1.2%
Yayi Innovation Investment . .	451,129	1.2%
Hainan Wangzhong . . . . .	270,678	0.7%
Rongchuang Zibo . . . . .	1,000,000	2.6%
Wangzhong Mingxin . . . . .	100,000	0.3%
Bojiang Hongda . . . . .	250,000	0.7%
Bojiang Junjing . . . . .	300,000	0.8%
Bojiang Dingsheng . . . . .	250,000	0.7%
Gao Hejian . . . . .	320,000	0.8%
Zhao Dandan . . . . .	35,556	0.1%
Wu Shuang . . . . .	17,778	0.1%
Chengyu Fund . . . . .	480,000	1.3%
Chengdu Wutongshu . . . . .	80,000	0.2%
Chengdu Tongchuang . . . . .	480	0.001%
Chongqing Jiangjin . . . . .	480,000	1.3%
Jiaxing Jiuqian . . . . .	240,000	0.6%
Peikun Investment . . . . .	320,000	0.8%
<b>Total . . . . .</b>	<b>26,647,978</b>	<b>70.4%</b>

### Listing Approval by the Hong Kong Stock Exchange

We have applied to the Listing Committee of the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering, and the H Shares to be converted from 26,647,978 Unlisted Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Hong Kong Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (i) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (ii) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS.

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## SHARE CAPITAL

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### Domestic Procedures

The Full Circulation Participating Shareholders may only deal the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and listing:

- (i) we will appoint CSDC as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at HKSCC in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;
- (ii) we will engage a domestic securities company (the “**Domestic Securities Company**”) to provide services such as sending orders for trading of the converted H Shares and receipt of transaction returns. The Domestic Securities Company will engage a Hong Kong securities company (the “**Hong Kong Securities Company**”) for settlement of share transactions. We will make an application to CSDC, Shenzhen Branch for the maintenance of a detailed record of the initial holding of the converted H Shares held by our Shareholders. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by CSDC, Shenzhen Branch as authorized by the Shenzhen Stock Exchange (the “**SZSE**”);
- (iii) the SZSE shall authorize Shenzhen Securities Communication Co., Ltd.\* (深圳證券通信有限公司) to provide services relating to transmission of trading orders and transaction returns in respect of the converted H Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the H Shares;
- (iv) according to the Notice of the State Administration for Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share “Full circulation” at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share “Full circulation” at the Hong Kong Securities Company; and
- (v) the Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted



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## SHARE CAPITAL

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to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the conversion, the shareholding of the relevant Full Circulation Participating Shareholders in our Unlisted Shares shall be reduced by the number of the Unlisted Shares converted and the number of H Shares shall be increased by the number of converted H Shares.

### **RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING**

According to the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the Global Offering will be subject to such statutory restriction on transfer within a period of one year from the Listing Date.

### **REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE**

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, an overseas listed company is required to register its shares that are not listed on the overseas stock exchange with CSDC within 15 business days upon listing and provide a written report to the CSRC regarding the centralized registration and deposit of its unlisted shares as well as the current offering and listing of shares.

### **CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED**

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of Shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See “Appendix V — Summary of the Articles of Association” in this prospectus.

### **SHAREHOLDERS’ APPROVAL FOR THE GLOBAL OFFERING**

Approval from holders of the Shares is required for the Company to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. The Company has obtained such approval at the Shareholders’ general meeting held on October 21, 2024.

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## FINANCIAL INFORMATION

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*You should read the following section in conjunction with our consolidated financial information, including the accompanying notes thereto, as set out in the Accountants' Report included in Appendix I to this prospectus. Our consolidated financial information for the Track Record Period has been prepared in accordance with HKFRSs, which may differ in material respects from generally accepted accounting principles in other jurisdictions.*

*The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. Our future results could differ materially from those anticipated in these forward-looking statements. In evaluating our business, you should carefully consider the information provided in this prospectus, including but not limited to the sections headed "Risk Factors" and "Business."*

### OVERVIEW

We primarily develop and sell monitoring and inspection products and solutions for railway operation and power grid companies, and other urban management solutions in the PRC. We mainly provide integrated software and hardware solutions adopting comprehensive AI industry models for monitoring, inspection and maintenance purposes.

We have three business lines targeting the following industry verticals:

- (a) **transportation solution business** covering (i) rail transit, (ii) city transportation, and (iii) airport;
- (b) **energy solution business** covering (i) electricity, and (ii) chemical engineering; and
- (c) **urban management solution business** covering application scenarios mainly including park, campus, emergency and community management.

During the Track Record Period, we generated revenue from our businesses covering rail transit, electricity and urban management. We have also expanded into other industry verticals including city transportation, airport and chemical engineering and were at various business and/or product development stages as of the Latest Practicable Date for commercialization of such newer businesses.

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## FINANCIAL INFORMATION

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During the Track Record Period, we mainly sold to customers integrated software and hardware solutions adopting different AI industry models applicable to a wide range of application scenarios which accounted for 59.8%, 63.9%, 94.5%, and 80.8% of our total revenue for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. Such integrated solutions mainly take the form of (i) back-end integrated servers (一體機) embedded with AI-based software, (ii) front-end devices mainly including precision inspection robots, high-speed AI camera and edge analysis equipment, or a combination of (i) and (ii). To a lesser extent, we also sold AI-based software products and provided Technology Services to customers during the Track Record Period.

### BASIS OF PREPARATION

Our financial information for the Track Record Period has been prepared in accordance with HKFRSs, which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA. All HKFRSs effective for the accounting period commencing from January 1, 2025 together with the relevant transitional provisions, have been early adopted on a consistent basis by our Group in the preparation of our financial information throughout the Track Record Period.

For the Track Record Period, our Group has not applied a number of new and revised HKFRSs that have been issued but are not yet effective. For further details, see Note 2.2 of the Accountants’ Report in Appendix I to this prospectus. In particular, HKFRS 18 is expected to replace HKAS 1 Presentation of Financial Statements. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The new requirements are expected to impact our presentation of the statement of profit or loss and disclosures of our Group’s financial performance. So far, we consider that the adoption of HKFRS 18 is unlikely to have a significant impact on our Group’s results of operations and financial position.

Our Group is in the process of making an assessment of the impact of the other new and revised HKFRSs upon initial application. So far, we consider that these new and revised HKFRSs may result in changes in certain accounting policies and are unlikely to have a significant impact on our Group’s results of operations and financial position in the period of initial application.

Our financial information for the Track Record Period has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value.

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## FINANCIAL INFORMATION

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### **Basis of Consolidation**

Our financial information for the Track Record Period includes the financial statements of the Company and its subsidiaries for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when our Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give our Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, we consider all relevant facts and circumstances in assessing whether it has power over an investee, including: (a) the contractual arrangement with the other vote holders of the investee; (b) rights arising from other contractual arrangements; and (c) our Group's voting rights and potential voting rights. For further information on our basis of consolidation, see Note 2.1 of the Accountants' Report set forth in Appendix I to this prospectus.

### **KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our results of operations and financial position are affected by a number of factors, including those factors set out in the section headed "Risk Factors" in this prospectus and those discussed below:

#### **General Factors**

Our business and operating results are affected by general factors affecting the overall growth and prosperity of the AI industry in China, including:

- China's overall economic growth;
- the increasing applications of AI products and solutions across industries;
- development of AI technologies and the advancement of computing infrastructure; and
- relevant laws and regulations, governmental policies and initiatives.

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## FINANCIAL INFORMATION

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### Company-specific Factors

#### ***Enhancement of Product Scalability with Broadened Application Scenarios and Diversified Revenue Streams***

During the Track Record Period, our revenue was generated from a variety of end-customer industries, which included (i) rail transit, (ii) electricity, and (iii) urban management. Our growth and financial performance are largely dependent on our ability to tap into diversified industrial application scenarios by leveraging the high scalability of our AI industry models and the replicability of our products and solutions.

Our products were first commercialized for rail transit solution business in 2019. Riding on such technological knowhow and industry experience, we further expanded our business to urban management solution business and electricity solution business and have also ventured AI applications into newer fields such as city transportation, airport and chemical engineering.

Capitalizing on the know-how, experience and market recognition acquired from our customers and the high scalability of our AI solutions, we introduce our solutions to other customers in the same or adjacent industries or application scenarios, offering them commercially viable solutions that are quick-to-deploy on demand which proved to be an effective go-to-market strategy to broaden the application scenarios of our solutions in a relatively short span of time. A case in point is the NBK Industry Application Platform which is a general-purpose tool platform addressing customers' common needs and representative scenarios especially in the area of urban management, serving as a gateway for us to reach clientele initially from emergency management further to campus management and park management.

Looking ahead, we anticipate our business development and financial performance to be continuously driven by our ability (i) to develop, adapt, promote and upgrade our underlying technology and AI industry models for enhanced product scalability; (ii) to provide more customer value through a growing number of AI industry models and applications; and (iii) to solidify our customer base with cross-industry innovation and effective go-to-market strategies.

#### ***Continuous Maintenance of Margin Levels and Enhancement of Operating Efficiency***

Our ability to continuously maintain and enhance our margin levels and operating efficiency depends significantly on our ability to manage and optimize our costs and operating expenses. During the Track Record Period, our overall gross profit margin increased steadily from 2022 to 2024 of 55.6%, 58.1% and 58.9% for the years ended December 31, 2022, 2023 and 2024, respectively. However, the overall gross profit margin experienced a visible decreased to 39.2% for the six months ended June 30, 2025 as compared to 57.9% for the same period in 2024. For further information, see “– Description of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Line Items – Gross Profit and Gross Profit Margin.” The changes of our overall gross profit margin during the Track Record

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## FINANCIAL INFORMATION

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Period are driven by, among others, (a) the cost structure of our products and services for different business lines where products involving more hardware related cost are likely to have lower margins, (b) the pricing policies adopted by us from time to time depending on our different sales and marketing needs, and (c) the project based nature for some of our business whereby the overall gross profit level for such business may differ considerably from period to period and from one project to another depending on project size and scope, different pricing and customer budget involved.

Additionally, controlling operating expenses to achieve optimal operating efficiency is also important to our success. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our profit for the year or period was RMB63.2 million, RMB88.6 million, RMB115.4 million, and RMB40.1 million, respectively. We intend to optimize our costs of principal activities and operating expenses by increasing economies of scale and cost-efficiency as our business continues to grow. We intend to optimize our administrative expenses by enhancing our level of centralized management, streamlining our internal workflows, and leveraging technology to drive cost-efficiency and productivity. Our success will depend on our ability to further develop our product and solution offerings in a cost-efficient manner and maintain a competitive profit margin along with our business expansion.

### ***Continuous Investment in R&D for Upgrade of Technology Infrastructure and Product Innovation***

Our success depends on our ability to sustain innovation and technological excellence. Our research and development efforts primarily focus on the diversified and upgraded industrial utilization of our AI industry models as backbone by our underlying core AI technologies, which we believe are key to enhancing the performance of our current and future product and solution offerings, as well as improving our overall operational efficiency. Additionally, the ability to attract, retain, and motivate a talented workforce, especially R&D staff, while efficiently managing personnel expenses, is vital to our ongoing expansion efforts. To enhance R&D efficiency and allow our R&D staff to focus on the development of core AI models and technologies, we typically outsource non-essential and labor-intensive data related groundwork to third-party service providers, mainly in relation to data collection, cleansing, rendering and annotation.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our research and development expenses amounted to RMB44.5 million, RMB56.6 million, RMB59.6 million, and RMB22.7 million, respectively, which accounted for 17.6%, 15.6%, 14.8%, and 9.8% of our total revenue, respectively. The increase in the research and development expenses during the Track Record Period from 2022 to 2024 was mainly due to (i) the increase in salaries and benefits of our R&D staff over such years, (ii) the increase in data-related service fees from 2022 to 2023 mainly in relation to fees paid to outsourced data related service providers for data collection, cleansing, rendering and annotation, and (iii) the increase in depreciation and amortization from 2023 to 2024 mainly in relation to amortization of intangible assets for our R&D activities.

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## FINANCIAL INFORMATION

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We believe our technology capability is our differentiating advantage and also a key factor that affects our revenues and financial results in the long term. Going forward, we will continue to make significant investment in technological research and development and attract more technology talent, which is instrumental in driving our business growth and facilitating the upgrade of our products and solutions to keep pace with rapid technological and industry changes and cater to the evolving customer needs across industries. While our investments in research and development are intended to fuel long-term growth, they may negatively impact our short-term profitability.

### *Growth of the AI+ Solutions Market in China in the End-customer Industries We Target*

During the Track Record Period, our business targeted end-customer industries including transportation and energy. We believe that our financial performance and future growth are dependent on the growth of, and our competitiveness in, these industry-specific AI+ solutions market in China. According to CIC, the market size of China's AI+ transportation solutions industry reached RMB274.1 billion in 2024 and is projected to grow from RMB329.9 billion in 2025 to RMB600.0 billion by 2029, reflecting a CAGR of 16.1%; and the market size of China's AI+ energy solutions industry was RMB0.6 trillion in 2024 and is projected to grow from RMB0.7 trillion in 2025 to RMB1.3 trillion by 2029, at a CAGR of 16.7%. However, the penetration rates of AI+ solutions in China in these industries are still relatively low as compared to traditional non-AI solutions and such penetration rates are expected to accelerate in the next few years phasing out traditional methods. For instance, in the segment industry of China's rail transit inspection and monitoring solutions where we focused during the Track Record Period for our transportation solution business, the penetration rate of AI+ solutions is expected to increase from 10.3% in 2024 to 24.9% in 2029, according to CIC. Furthermore, with China's significant economic scale that gives rise to a rich variety of application scenarios being increasingly penetrated and expanded by AI+ solutions, we expect the market demand for our products and solutions to increase continuously in many of the industry verticals we focus on, which will further drive our sales in the foreseeable future.

### IMPACT OF THE COVID-19 PANDEMIC

Since late 2019, the outbreak of COVID-19 has materially and adversely affected the global economy. COVID-19 has, to certain extent, caused temporary impact to our financial performance and business operations during the Track Record Period. Due to the impact of COVID-19, our sales and marketing activities were hindered with respect to business travels and face to face communication with existing and potential customers and other business partners. COVID-19 also for a time hampered the timely on-site acceptance of our products and solutions and prolonged the payment cycle with respect to the customer projects to which we provided products and solutions. For instance, five of our distributors encountered payment difficulties and prolonged payment from end customers primarily because the relevant railway projects undertaken by railway bureaus were delayed due to impact of COVID-19 in 2022. Although such distributors are not subject to any back-to-back payment arrangements, the status of the underlying railway projects would still to certain degree indirectly hinder their ability to meet payment obligations on a timely manner. As of December 31, 2022, we had



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## FINANCIAL INFORMATION

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gross trade receivables of RMB76.3 million from such distributors and 100% of such trade receivables had been settled as of the Latest Practicable Date. We had continued to conduct business with most of these distributors after 2022 and to the best of our Directors' knowledge, the relevant railway projects that were delayed in 2022 had been completed as of the Latest Practicable Date. See also "Risk Factors — Risks Related to our Business and Industry — We are subject to credit risk related to delay in payments and defaults of customers as our trade receivables balance and average trade receivables turnover days increased significantly during the Track Record Period." During the Track Record Period and up to the Latest Practicable Date, we did not experience any material adverse impact of COVID-19 on our financial performance or business operations. We will continue to pay close attention to the development of the COVID-19 pandemic and dedicate resources to take actions to minimize any adverse impact therefrom.

### **CERTAIN CRITICAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND JUDGEMENTS**

We have identified certain accounting policies that are material to the preparation of our financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgements relating to accounting items. In each case, the determination of these items requires management to make subjective and complex judgements based on information and financial data that may change in future periods. When reviewing our financial statements, you should consider (i) our material accounting policies, (ii) the accounting judgements and estimates and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions, where applicable. We set out below those accounting policies that we believe are of critical importance to us or involve the most significant estimates and judgements used in the preparation of our financial statements. Our material accounting policies, which are important for an understanding of our financial condition and results of operations, are set out in further details in Note 2.3 of the Accountants' Report in Appendix I to this prospectus. For more details of our accounting judgments and estimates in applying our accounting policies, see Note 3 of the Accountants' Report in Appendix I to this prospectus.

#### **Revenue Recognition**

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.



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## FINANCIAL INFORMATION

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The Group transfers control of goods or services over time and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

### *(a) Sales of software*

The Group provides software products to its customers. Revenue is recognised at a point in time when software is delivered to the customer's designated place, inspected and accepted by the customer. The performance obligation of sales of software is satisfied upon acceptance of the software and payment is generally due within one to 12 months from acceptance.

For certain sales of software to a limited number of customers, the Group also provides related maintenance and upgrade services for a specific period (normally for three years after the customer's acceptance) after sale as stipulated in the same contract (the "**Specific Maintenance and Upgrade Services**"). These maintenance and upgrade services are provided to maintain and improve the effectiveness of the software and therefore are accounted for as a separate performance obligation. Revenue from provision of maintenance and upgrade services is recognised over the service period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by us and payment is generally due within 12 months from the date of billing.

Other than the Specific Maintenance and Upgrade Services as discussed above and in connection with its sales of software, the Group to a large extent provides maintenance services free of charge to its customers during the product warranty period which are not counted for as a separate performance obligation from the sales of software and no separate revenue is considered to be generated solely from these maintenance services provided.

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## FINANCIAL INFORMATION

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### *(b) Provision of software and hardware integrated solutions*

The Group provides software and hardware integrated solutions based on the NBK-INTARI AI Platform with combination of key technologies by embedding core software in hardware. Revenue from provision of software and hardware integrated solutions is recognised, with performance obligations thereunder satisfied, at the point in time when the integrated software and hardware is delivered to the customer's designated place, inspected and accepted by the customer. The payment is generally due within one to 12 months from acceptance.

For certain provision of software and hardware integrated solutions to a limited number of customers, we also provide related Specific Maintenance and Upgrade Services. These maintenance services are provided to maintain the effectiveness of the integrated solutions and therefore are accounted for as a separate performance obligation. Revenue from provision of maintenance services is recognized over the service period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by us and payment is generally due within 12 months from the date of billing.

Other than the Specific Maintenance and Upgrade Services as discussed above and in connection with our provision of software and hardware integrated solutions, we also provide, to a large extent, maintenance services free of charge to customers during the product warranty period which are not counted for as a separate performance obligation from of the provision of software and hardware integrated solutions and no separate revenue is considered to be generated solely from these maintenance services provided.

### *(c) Technology Services*

The Group provides Technology Services including detection and defects analysis as well as customized development of mainly AI-related software products. Revenue from the Technology Services is recognised, with performance obligations thereunder satisfied, at the point in time when the Group transfers the control for services or deliverables generally upon finalisation, delivery and acceptance of the services or deliverables. The payment is generally due within one month from the date of billing.

For further information on revenue from contracts with customers, see Note 5 of the Accountants' Report in Appendix I to this prospectus.

## **Contract Assets**

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional. For further details, see Note 19 of the Accountants' Report in Appendix I to this prospectus.

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## FINANCIAL INFORMATION

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### Contract Costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred. For further details, see Note 17 of the Accountants' Report in Appendix I to this prospectus.

### Trade Receivables

Trade receivables are recognized when our Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are stated at amortized cost, and subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. Financial assets classified and measured at amortized cost such as trade receivables are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating expected credit losses ("ECLs"). Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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## FINANCIAL INFORMATION

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### **Provision for Expected Credit Losses on Trade Receivables and Contract Assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on ageing period for groupings of various customer segments that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historically observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historically observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. For further details on the ECLs on the Group's trade receivables and contract assets, see Note 18 and Note 19, respectively, of the Accountants' Report in Appendix I to this prospectus.

### **Deferred Tax Assets**

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. Therefore, significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. For further details, see Note 26 of the Accountants' Report in Appendix I to this prospectus.

## FINANCIAL INFORMATION

### DESCRIPTION OF SELECTED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME LINE ITEMS

The following table sets forth our selected consolidated statements of profit or loss and other comprehensive income for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Revenue . . . . .	252,620	100.0	363,699	100.0	402,640	100.0	185,726	100.0	231,571	100.0
Cost of sales . . . . .	(112,257)	(44.4)	(152,351)	(41.9)	(165,407)	(41.1)	(78,178)	(42.1)	(140,770)	(60.8)
<b>Gross profit . . . . .</b>	<b>140,363</b>	<b>55.6</b>	<b>211,348</b>	<b>58.1</b>	<b>237,233</b>	<b>58.9</b>	<b>107,548</b>	<b>57.9</b>	<b>90,801</b>	<b>39.2</b>
Other income and gains .	19,851	7.9	9,228	2.5	23,710	5.9	12,483	6.7	11,717	5.1
Selling and distribution expenses . . . . .	(10,930)	(4.3)	(17,203)	(4.7)	(16,341)	(4.1)	(7,944)	(4.3)	(6,516)	(2.8)
Research and development expenses . . . . .	(44,488)	(17.6)	(56,645)	(15.6)	(59,557)	(14.8)	(39,738)	(21.4)	(22,728)	(9.8)
Administrative expenses .	(14,994)	(5.9)	(18,972)	(5.2)	(35,812)	(8.9)	(10,032)	(5.4)	(16,906)	(7.3)
Impairment losses on financial and contract assets, net . . . . .	(15,295)	(6.1)	(28,567)	(7.9)	(19,437)	(4.8)	(7,066)	(3.8)	(10,219)	(4.4)
Other expenses . . . . .	(515)	(0.2)	(14)	0.0	(277)	(0.1)	(260)	(0.1)	–	–
Finance costs . . . . .	(1,437)	(0.6)	(2,315)	(0.6)	(3,415)	(0.8)	(1,693)	(0.9)	(1,817)	(0.8)
<b>Profit before tax . . . .</b>	<b>72,555</b>	<b>28.8</b>	<b>96,860</b>	<b>26.6</b>	<b>126,104</b>	<b>31.3</b>	<b>53,298</b>	<b>28.7</b>	<b>44,332</b>	<b>19.2</b>
Income tax expense . . .	(9,394)	(3.7)	(8,294)	(2.3)	(10,736)	(2.7)	(2,562)	(1.4)	(4,251)	(1.8)
<b>Profit and total comprehensive income for the year/period . . . . .</b>	<b><u>63,161</u></b>	<b>25.1</b>	<b><u>88,566</u></b>	<b>24.3</b>	<b><u>115,368</u></b>	<b>28.6</b>	<b><u>50,736</u></b>	<b>27.3</b>	<b><u>40,081</u></b>	<b>17.4</b>

## FINANCIAL INFORMATION

### Revenue

During the Track Record Period, we generated revenue from providing our products and services in a number of end-customer industries, namely (i) transportation, (ii) energy, and (iii) urban management. For further details, see “Business — Business Model.”

### *Revenue by business line*

The following table sets forth the breakdown of our total revenue by business line for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Transportation solution										
business. . . . .	100,980	40.0	110,965	30.5	209,381	52.0	70,694	38.1	70,999	30.7
Energy solution										
business. . . . .	92,535	36.6	141,725	39.0	174,497	43.3	114,985	61.9	27,934	12.0
Urban management										
solution business . . .	59,105	23.4	111,009	30.5	18,762	4.7	47	0.0	132,638	57.3
<b>Total. . . . .</b>	<b><u>252,620</u></b>	<b><u>100.0</u></b>	<b><u>363,699</u></b>	<b><u>100.0</u></b>	<b><u>402,640</u></b>	<b><u>100.0</u></b>	<b><u>185,726</u></b>	<b><u>100.0</u></b>	<b><u>231,571</u></b>	<b><u>100.0</u></b>

During the Track Record Period, our revenue from transportation solution business was all from the area of rail transit and our revenue from energy solution business was all from the area of electricity. For further information on the fluctuation of our revenue by business line for the Track Record Period, see “Summary — Summary of Historical Financial Information — Summary of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Data” and “— Period to Period Comparison.”

## FINANCIAL INFORMATION

### *Revenue by sales channel*

During the Track Record Period, our products and services were sold to three types of customers, namely (i) distributors for our transportation solution business, (ii) system integrators mainly in relation to (a) our energy solution business in connection with integrated grid construction projects and (b) urban management solution business, and (iii) direct customers for all our three business lines. For further details on our sales channels, see “Business — Sales Channels.” The following table sets forth the breakdown of our total revenue by sales channel for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Distributors . . . . .	78,611	31.1	99,965	27.5	197,525	49.1	63,782	34.4	55,540	24.0
System Integrators . . . .	150,328	59.5	131,105	36.0	19,251	4.8	1,623	0.9	6,374	2.8
Direct Customers . . . . .	23,681	9.4	132,629	36.5	185,864	46.1	120,321	64.7	169,657	73.2
<b>Total . . . . .</b>	<b>252,620</b>	<b>100.0</b>	<b>363,699</b>	<b>100.0</b>	<b>402,640</b>	<b>100.0</b>	<b>185,726</b>	<b>100.0</b>	<b>231,571</b>	<b>100.0</b>

We had considerably lower sales to system integrators in 2024 as compared to 2023 which was due to the decrease in such sales for our energy solution business. In 2023 such revenue for energy solution business was primarily from the sale of software products to system integrators for our sales of electricity solution business whereas in 2024 revenue from system integrator sales for energy solution business was only in the form of Specific Maintenance and Upgrade Services which represented certain after-sales services after the delivery of software products that were agreed at separate prices. In the meantime, revenue and revenue contribution from direct customers continued to increase significantly for energy solution business in 2024 as compared to 2023, which was mainly due to an increase in sales to direct customers in respect of both power grid inspection and Technology Services.

### *Revenue by project or non-project basis*

During the Track Record Period, a portion of our sales of products and solutions, especially much for our energy solution business and urban management solution business, were conducted on a project basis. During the Track Record Period, the rest of our business, especially much for our transportation solution business, was conducted on a non-project basis.

## FINANCIAL INFORMATION

For further details, see “Business — Business Model — Our Business on Project or Non-project Basis.” The following table sets forth the breakdown of our total revenue by project or non-project basis for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Project basis . . . . .	157,876	62.5	242,114	66.6	153,271	38.1	114,985	61.9	160,459	69.3
Non-project basis. . . . .	94,744	37.5	121,585	33.4	249,369	61.9	70,741	38.1	71,112	30.7
<b>Total. . . . .</b>	<b>252,620</b>	<b>100.0</b>	<b>363,699</b>	<b>100.0</b>	<b>402,640</b>	<b>100.0</b>	<b>185,726</b>	<b>100.0</b>	<b>231,571</b>	<b>100.0</b>

The higher contribution of revenue from non-project basis business in 2024 as compared to previous years of the Track Record Period was mainly due to the increase in revenue contribution from transportation solution business in 2024 which was primarily conducted on a non-project basis.

### Cost of Sales

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our total cost of sales amounted to RMB112.3 million, RMB152.4 million, RMB165.4 million, and RMB140.8 million, respectively. The following table sets forth the breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Procurement cost										
of software . . . . .	51,983	46.4	106,255	69.8	20,655	12.5	20,655	26.4	41,652	29.6
Hardware-dominant										
procurement cost . . .	53,225	47.4	45,896	30.1	128,354	77.6	57,299	73.3	70,017	49.7
Procurement cost										
of ancillary services .	6,887	6.1	—	—	15,877	9.6	—	0.0	27,292	19.4
Labor costs . . . . .	162	0.1	200	0.1	521	0.3	224	0.3	1,809	1.3
<b>Total. . . . .</b>	<b>112,257</b>	<b>100.0</b>	<b>152,351</b>	<b>100.0</b>	<b>165,407</b>	<b>100.0</b>	<b>78,178</b>	<b>100.0</b>	<b>140,770</b>	<b>100.0</b>

Our cost of sales represents costs directly attributable to the provision of our products and solutions. During the Track Record Period, our cost of sales primarily consisted of: (i) procurement cost of software representing our cost for the procurement of basic software systems and modules needed for producing our products and solutions. During the Track



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## FINANCIAL INFORMATION

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Record Period such cost was mainly in relation to our energy solution business especially in respect of procurement for sales of software products to customers of energy solution business in connection with integrated grid construction in 2022 and 2023; (ii) hardware-dominant procurement cost representing our cost for the procurement of hardware related components and equipment such as servers (including certain software modules embedded in some servers that are sold as a bundle), computers and other IT accessories. As some of these servers have software modules embedded in them that are sold together as a bundle, we count such costs as one same type of costs and refer to them as “hardware-dominant” instead of pure hardware. Changes in our hardware-dominant procurement cost during the Track Record Period were mainly driven by varying needs of such hardware-dominant components for our energy solution business and urban management solution business which were mostly on a project-basis; (iii) procurement cost of ancillary services which represents procurement of certain third-party ancillary services for provision of our Technology Services, such as those in respect of technical support, data collection and basic software development services; and (iv) labor costs which represent salaries and benefits of our staff responsible for certain in-house assembly of products to the extent needed. The fluctuations of our key cost components during the Track Record Period were primarily attributable to the project based nature of our energy solution business and urban management solution business as the extent of hardware and software required for each project varied depending on customer specifications.

### *Procurement cost of software*

Our procurement cost of software increased substantially in 2023 as compared with 2022, which was due to the increases in such cost for both urban management solution business and energy solution business: (i) for urban management solution business, procurement cost of software increased from RMB1.1 million in 2022 to RMB29.9 million in 2023 which was primarily due to an increase in software configurations in urban management projects in 2023, and (ii) for energy solution business, procurement cost of software increase from RMB50.9 million in 2022 to RMB76.4 million which was mainly driven by the increase in sales of software products in connection with integrated grid construction in 2023 as compared to 2022.

Our procurement cost of software decreased significantly in 2024 as compared to 2023, which was due to the decreases in such cost for both energy solution business and urban management solution business: (i) for energy solution business, procurement cost of software decreased from RMB76.4 million in 2023 to RMB20.7 million in 2024. The relatively higher procurement cost of software in 2023 was arising from the sales of software products in connection with integrated grid construction whereas we hardly generated such sales in 2024 for our energy solution business, and (ii) for urban management solution business, procurement cost of software decreased from RMB29.9 million in 2023 to nil in 2024, which was primarily because the overall scale of urban management projects in 2024 was relatively small due to project cyclicity, and the software used was entirely developed in-house, resulting in no external procurement cost of software.

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## FINANCIAL INFORMATION

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### *Hardware-dominant procurement cost*

Our hardware-dominant procurement cost increased significantly in 2024 as compared with 2023, which was due to the increases in such cost for transportation solution business and energy solution business, and offset by the decrease in such cost in relation to urban management solution business.

- For transportation solution business, hardware-dominant procurement cost increased from RMB8.2 million in 2023 to RMB60.7 million in 2024, which was mainly because newer rail transit products, including equipment status assessment systems and safety operation control systems, required the analysis of larger and more complex datasets, which imposed higher requirements on both algorithms and hardware that subsequently led to more hardware-dominant procurement costs involved.
- For energy solution business, hardware-dominant procurement cost increased from RMB0.6 million in 2023 to RMB51.2 million in 2024, which was mainly attributable to the fact that in 2023 a significant portion of our energy solution business consisted of sale of software products to system integrators in connection with integrated grid construction projects whereas in 2024 there has been an increase in sale of integrated hardware and software solutions due to an increase in sales to direct customers in respect of power grid inspection which consequently led to more hardware-dominant procurement costs.
- The above-mentioned increases in hardware-dominant procurement cost was offset by the decrease of such cost for urban management solution business in 2024 as compared to 2023 which was due to a smaller overall business scale for such business.

Hardware-dominant procurement cost for energy solution business was nil for the six months ended June 30, 2025, which was primarily because we mainly provided Technology Services for energy solution business during this period, and the costs of which were reflected as procurement cost of ancillary services. Hardware-dominant procurement cost for urban management solution business increased substantially for the six months ended June 30, 2025, as compared with the same period in 2024, which was primarily because the expanded project scale required higher hardware-related configurations.

### **Gross Profit and Gross Profit Margin**

Our gross profit equals to our revenue less cost of sales. For the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, our gross profit was RMB140.4 million, RMB211.3 million, RMB237.2 million, and RMB90.8 million, respectively.

## FINANCIAL INFORMATION

Our gross profit margin represents our gross profit as a percentage of our revenue. Our overall gross profit margins are primarily affected by our cost control (particularly with respect to our cost of procurement), business mix and business scale. Our overall gross profit margin was 55.6%, 58.1%, 58.9% and 39.2% for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively.

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

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
<i>(unaudited)</i>										
Transportation										
solution business . .	88,893	88.0	102,689	92.5	148,399	70.9	61,934	87.6	58,892	82.9
Energy solution										
business . . . . .	34,718	37.5	64,677	45.6	86,527	49.6	45,595	39.7	4,610	16.5
Urban management										
solution business . .	16,752	28.3	43,982	39.6	2,307	12.3	19	40.4	27,299	20.6
<b>Total/Overall . . . . .</b>	<b>140,363</b>	<b>55.6</b>	<b>211,348</b>	<b>58.1</b>	<b>237,233</b>	<b>58.9</b>	<b>107,548</b>	<b>57.9</b>	<b>90,801</b>	<b>39.2</b>

During the Track Record Period, we had considerably higher gross profit margin of transportation solution business as compared to our other business lines. This was mainly because the software and hardware integrated solutions provided for transportation solution business, especially our Rail Transit 4C Products of catenary checking systems, involved relatively lower hardware-dominant procurement cost as compared to such solutions provided for energy solution business and urban management solution business. The rail transit solution business for transportation solution business has a relatively higher product maturity with more straightforward composition of hardware-related components and software modules needed for assembly of products which is especially the case with our Rail Transit 4C Products of catenary checking systems, whereas the procurement for our other businesses (which are generally project based and more customized in nature) was more complicated and diverse in terms of the volume and types of components and materials procured.

We had a decrease in gross profit margin for our transportation solution business in 2024 as compared to other years of the Track Record Period. This was mainly because (i) we adopted the distributorship business model during the Track Record Period only for our transportation solution business and (ii) there was a considerable decrease in gross profit margin for sales to distributors in 2024 as we adopted more favorable pricing policy to distributors for newer products of transportation solution business (such as equipment status assessment systems and

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## FINANCIAL INFORMATION

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safety operation control systems) with a view to tapping into more distributors with enhanced sales coverage and such newer products also involved more hardware-dominant procurement cost as compared to our Rail Transit 4C Products of catenary checking systems. The pricing to distributors for our key products of transportation solution business, such as our Rail Transit 4C Products of catenary checking systems, remained relatively stable in 2024 and with gross profit margins generally higher than those newer products due to their more standardized nature and higher product maturity.

The increasing trend of our gross profit margin for energy solution business from 2022 to 2024 was mainly due to the increase in sales of power grid inspection in 2023 and 2024 which also had relatively higher gross profit margin. The decrease in gross profit margin for energy solution business for the six months ended June 30, 2025 as compared to the same period in 2024 was mainly due to (i) the relatively higher gross profit margin for such business in the first half of 2024 mainly resulting from the higher gross profit margin for software and hardware integrated solutions provided to Customer B, and (ii) an increase in revenue contribution from customized development projects for Technology Services in the first half of 2025 which had relatively lower gross profit margin with more procurement cost of ancillary services involved.

The fluctuations of gross profit margins for our urban management solution business during the Track Record Period was mainly due to the project-based nature of such business whereby the overall gross profit level for such business may differ considerably from period to period and from one project to another depending on project size and scope, different pricing and customer budget involved. We had higher gross profit margin for urban management solution business in the first half of 2024 as compared to the same period in 2025 which was mainly because all of our revenue from such business was generated from overseas sales in the first half of 2024 which had relatively higher gross profit margin as compared to our sales for urban management solution business generated in the PRC.

During the Track Record Period, the gross profit margin for our urban management solution business was generally lower than those of our other business lines. This was mainly because urban management solution business operates across more fragmented application scenarios and involves a higher average level of customization compared with other business lines, which make it more likely to impose more costs in delivering the relevant solutions. According to CIC, our gross profit margin during the Track Record Period for urban management solution business remained within a reasonable range as compared to the industry levels for such business. See “— Period to Period Comparison” for further information on the changes of our gross profit margins by business line during the Track Record Period.

## FINANCIAL INFORMATION

The following table sets forth the breakdown of our gross profit and gross profit margin by sales channel for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
							<i>(unaudited)</i>			
Distributors . . . .	73,378	93.3	93,508	93.5	139,042	70.4	56,841	89.1	47,333	85.2
System Integrators .	51,603	34.3	54,709	41.7	3,090	16.1	1,561	96.2	2,788	43.7
Direct Customers .	15,382	64.9	63,131	47.6	95,101	51.2	49,146	40.8	40,680	24.0
<b>Total/Overall . . .</b>	<b>140,363</b>	<b>55.6</b>	<b>211,348</b>	<b>58.1</b>	<b>237,233</b>	<b>58.9</b>	<b>107,548</b>	<b>57.9</b>	<b>90,801</b>	<b>39.2</b>

During the Track Record Period, the changes in our gross profit margin of sales to distributors generally aligned with those of sales for transportation solution business as all of our sales to distributors were made in relation to the rail transit of the transportation solution business. We had considerably lower gross profit margin for sales to distributors in 2024 as compared to other years of the Track Record Period, which was mainly because we adopted more favorable pricing policy to distributors of newer products (such as equipment status assessment systems and safety operation control systems) with a view to tapping into more distributors with enhanced sales coverage for our transportation solution business and such newer products also involved more hardware-dominant procurement cost as compared to our Rail Transit 4C Products of catenary checking systems. The pricing to distributors for our key products of transportation solution business, such as our Rail Transit 4C Products of catenary checking systems, remained relatively stable in 2024 and with gross profit margins generally higher than those newer products due to their more standardized nature and higher product maturity. We had a considerable decrease in gross profit margin for sales to system integrators in 2024 which was mainly in relation to such sales for urban management solution business as compared to 2023 which was in relation to sales to system integrators for integrated grid construction projects of our energy solution business. Due to the project-based nature of such businesses, the gross profit level may differ considerably from one project to another depending on project size and scope, different pricing and customer budget involved.

## FINANCIAL INFORMATION

The following table sets forth the breakdown of our gross profit and gross profit margin by project or non-project basis for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
							<i>(unaudited)</i>			
Project basis . . . .	52,264	33.1	98,693	40.8	51,405	33.5	45,595	39.7	31,873	19.9
Non-project basis . .	88,099	93.0	112,655	92.7	185,828	74.5	61,953	87.6	58,928	82.9
<b>Total/Overall . . .</b>	<b>140,363</b>	<b>55.6</b>	<b>211,348</b>	<b>58.1</b>	<b>237,233</b>	<b>58.9</b>	<b>107,548</b>	<b>57.9</b>	<b>90,801</b>	<b>39.2</b>

The decrease in our gross profit margin for non-project basis business from 2023 to 2024 was generally in line with the decrease of gross profit margin for our transportation solution business which was conducted generally on a non-project basis.

### Other Income and Gains

During the Track Record Period, our other income and gains mainly consisted of (i) value-added tax refund received by us in relation to the sale of eligible self-developed software contained in our products and solutions, (ii) government grant representing subsidies received from the local governments to support our research and development activities and operation or for the purpose of reward for our financial contribution, and (iii) bank interest income.

## FINANCIAL INFORMATION

The following table sets forth the breakdown of our other income and gains for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
<b>Other income</b>					
Government grants . . . . .	1,967	4,476	1,803	466	1,485
Value-added tax refund . . . . .	16,345	3,529	20,166	11,206	9,493
Bank interest income . . . . .	396	969	892	475	691
Investment income from financial assets at fair value through profit or loss . . . . .	427	—	—	—	—
Investment income from financial assets at fair value through other comprehensive income . . . . .	—	—	513	—	—
Interest income from a loan to a third-party . . . . .	67	254	146	146	—
Sales of materials . . . . .	649	—	—	—	—
<b>Total other income . . . . .</b>	<b><u>19,851</u></b>	<b><u>9,228</u></b>	<b><u>23,520</u></b>	<b><u>12,293</u></b>	<b><u>11,669</u></b>
<b>Gains</b>					
Gain on termination of leases . .	—	—	190	190	48
<b>Total other income and gains . . . . .</b>	<b><u>19,851</u></b>	<b><u>9,228</u></b>	<b><u>23,710</u></b>	<b><u>12,483</u></b>	<b><u>11,717</u></b>

We had considerably lower amount of value-added tax refund in 2023 as compared to other years of the Track Record Period. This was mainly because: (i) certain input VAT invoices for 2022 were only received by us in early 2023 and used for VAT refund declaration in 2023, which let to more input VAT deducted in 2023 and consequently lower VAT collected with lower amount of VAT refund granted as compared to 2022, and (ii) we also deferred declaration for certain VAT refund for 2023 to 2024 as our Company was in the process of changing its administrative district in 2023, which resulted in more VAT refund received in 2024 as compared to 2023.

## FINANCIAL INFORMATION

### Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses mainly consisted of (i) staff salaries and benefits of our sales and marketing personnel, (ii) business development expenses mainly representing commissions paid to third party business development service providers for the procurement of customer engagements, and (iii) entertainment expenses and travelling expenses.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we had selling and distribution expenses of RMB10.9 million, RMB17.2 million, RMB16.3 million, and RMB6.5 million, respectively. The following table sets forth the breakdown of our selling and distribution expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Staff salaries and										
benefits . . . . .	3,110	28.5	6,112	35.5	9,681	59.2	4,531	57.0	3,724	57.2
Business development										
expenses . . . . .	5,235	47.9	5,705	33.2	65	0.4	65	0.8	–	–
Entertainment expenses .	583	5.3	1,972	11.5	2,063	12.6	1,156	14.6	631	9.7
Travelling expenses . . .	1,097	10.0	2,570	14.9	3,217	19.7	1,527	19.2	1,513	23.2
Depreciation . . . . .	302	2.8	366	2.1	648	4.0	306	3.9	197	3.0
Others . . . . .	603	5.5	478	2.8	667	4.1	359	4.5	451	6.9
<b>Total . . . . .</b>	<b>10,930</b>	<b>100.0</b>	<b>17,203</b>	<b>100.0</b>	<b>16,341</b>	<b>100.0</b>	<b>7,944</b>	<b>100.0</b>	<b>6,516</b>	<b>100.0</b>

### Research and Development Expenses

During the Track Record Period, our research and development expenses mainly consisted of (i) staff salaries and benefits of our R&D staff, (ii) data-related service fees mainly representing fees paid to outsourced data related service providers for data collection, cleansing, rendering and annotation. For further details, see “Business — Research and Development”, (iii) other outsourced fees mainly in relation to other outsourced services in connection with our R&D activities, such as equipment testing and software development fees, (iv) use of equipment fees representing expenses for AI computing support services to our R&D activities, (v) depreciation and amortization, and (vi) material expenses.



## FINANCIAL INFORMATION

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we had research and development expenses of RMB44.5 million, RMB56.6 million, RMB59.6 million, and RMB22.7 million, respectively. The following table sets forth the breakdown of our research and development expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Staff salaries and										
benefits . . . . .	5,531	12.5	12,149	21.5	17,192	28.9	8,434	21.3	7,803	34.3
Data-related service fees	26,006	58.5	30,347	53.6	23,709	39.8	21,330	53.7	2,870	12.6
Other outsourced fees . .	9,433	21.2	5,405	9.5	6,434	10.8	3,321	8.3	1,792	7.9
Use of equipment fees . .	1,918	4.3	5,578	9.8	4,487	7.5	3,168	8.0	–	–
Materials expenses . . .	776	1.7	910	1.6	1,056	1.8	528	1.3	777	3.4
Depreciation and										
amortization . . . . .	349	0.8	987	1.7	5,555	9.3	2,398	6.0	8,905	39.2
Others . . . . .	475	1.0	1,269	2.3	1,124	1.9	559	1.4	581	2.6
<b>Total . . . . .</b>	<b>44,488</b>	<b>100.0</b>	<b>56,645</b>	<b>100.0</b>	<b>59,557</b>	<b>100.0</b>	<b>39,738</b>	<b>100.0</b>	<b>22,728</b>	<b>100.0</b>

The increase in the research and development expenses during the Track Record Period from 2022 to 2024 was mainly due to (i) the increase in salaries and benefits of our R&D staff over such years, (ii) the increase in data-related service fees from 2022 to 2023 mainly in relation to fees paid to outsourced data related service providers for data collection, cleansing, rendering and annotation, and (iii) the increase in depreciation and amortization from 2023 to 2024 mainly in relation to amortization of intangible assets for our R&D activities. The decrease in research and development expenses for the six months ended June 30, 2025 as compared to the same period in 2024 was mainly attributable to a significant decrease in data-related service fees partly because a portion of such outsourced services engaged by us had not yet reached the acceptance stage as of June 30, 2025. The decrease in research and development expenses was partially offset by an increase in depreciation and amortization of R&D expenses over the same period, which was primarily due to the addition of computing power servers in the second half of 2024 for conducting our R&D activities. For further details, see “— Period to Period Comparison”.

## FINANCIAL INFORMATION

### Administrative Expenses

During the Track Record Period, our administrative expenses mainly consisted of (i) staff salaries and benefits mainly of our management, administrative and finance staff, (ii) listing expenses in connection with the Listing, (iii) consultancy and professional service fees mainly representing consultancy service fees for training and general consulting, and professional fees for legal and auditing services including those in preparation for the A-Share Listing Plan, (iv) office expenses, travelling expenses and entertainment expenses, (v) taxes and surcharges were mainly in relation to additional levies of VAT, and (vi) depreciation.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we had administrative expenses of RMB15.0 million, RMB19.0 million, RMB35.8 million, and RMB16.9 million, respectively. The following table sets forth the breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Staff salaries										
and benefits . . . . .	4,189	27.9	5,905	31.0	7,087	19.9	3,445	34.4	3,656	21.6
Listing expenses . . . . .	–	–	–	–	14,735	41.1	–	–	2,377	14.1
Office expenses . . . . .	725	4.8	1,198	6.3	1,229	3.4	569	5.7	645	3.8
Travelling expenses . . . .	430	2.9	1,206	6.4	958	2.7	352	3.5	381	2.3
Entertainment expenses . .	1,159	7.7	2,082	11.0	2,077	5.8	701	7.0	935	5.5
Depreciation . . . . .	758	5.1	1,414	7.5	3,252	9.1	1,996	19.9	5,888	34.8
Consultancy and										
professional service										
fees . . . . .	3,700	24.7	4,039	21.3	2,341	6.5	1,196	11.9	1,327	7.8
Taxes and surcharges . . .	3,827	25.5	2,403	12.7	3,619	10.1	1,539	15.3	1,329	7.9
Others . . . . .	206	1.4	725	3.8	514	1.4	234	2.3	368	2.2
<b>Total . . . . .</b>	<b>14,994</b>	<b>100.0</b>	<b>18,972</b>	<b>100.0</b>	<b>35,812</b>	<b>100.0</b>	<b>10,032</b>	<b>100.0</b>	<b>16,906</b>	<b>100.0</b>

## FINANCIAL INFORMATION

### Net Impairment Losses on Financial and Contract Assets

The following table sets forth the breakdown of our impairment losses (and reversal of impairment losses) on financial and contract assets in relation to (i) trade receivables, (ii) contract assets, and (iii) financial assets included in prepayments, other receivables and other assets, respectively, for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Impairment losses on trade receivables, net. . . . .	15,047	28,093	15,315	3,130	9,566
Impairment losses on contract assets, net. . . . .	279	38	1,482	1,460	150
Impairment losses/(reversal of impairment losses) on financial assets included in prepayments, other receivables and other assets .	<u>(31)</u>	<u>436</u>	<u>2,640</u>	<u>2,476</u>	<u>503</u>
<b>Total . . . . .</b>	<b><u>15,295</u></b>	<b><u>28,567</u></b>	<b><u>19,437</u></b>	<b><u>7,066</u></b>	<b><u>10,219</u></b>

### Other Expenses

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our other expenses amounted to RMB0.5 million, RMB14,000, RMB0.3 million, and nil, respectively, which mainly represented the cost for the procurement of raw materials in connection with our sale of materials such as water reducing agent in 2022.

## FINANCIAL INFORMATION

### Finance Costs

Finance costs represent (i) interest on bank loans, representing interest on our bank borrowings with financial institutions in the PRC, (ii) interest on leases liabilities primarily in connection with our leased properties from third parties in the PRC, and (iii) interest on redemption liabilities on owners' capital in connection with the Pre-IPO Investments. For further details, see “— Indebtedness” and Note 27 of the Accountants' Report in Appendix I to this prospectus. The following table sets forth the breakdown of finance costs for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Interest on bank loans . . . . .	658	2,137	3,180	1,569	1,718
Interest on lease liabilities . . .	99	178	235	124	99
Interest on redemption liabilities on owners' capital	680	—	—	—	—
<b>Total . . . . .</b>	<b><u>1,437</u></b>	<b><u>2,315</u></b>	<b><u>3,415</u></b>	<b><u>1,693</u></b>	<b><u>1,817</u></b>

### Income Tax

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our income tax expenses were RMB9.4 million, RMB8.3 million, RMB10.7 million, and RMB4.3 million, respectively. For further information on our income tax, see Note 10 of the Accountants' Report in Appendix I to this prospectus.

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## FINANCIAL INFORMATION

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### PERIOD TO PERIOD COMPARISON

#### Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

##### *Revenue*

Revenue increased by 24.7% to RMB231.6 million for the six months ended June 30, 2025 from RMB185.7 million for the six months ended June 30, 2024.

- **Transportation Solution Business.** Revenue from transportation solution business remained relatively stable of RMB71.0 million for the six months ended June 30, 2025 and RMB70.7 million for the six months ended June 30, 2024.
- **Energy Solution Business.** Revenue from energy solution business decreased by 75.7% to RMB27.9 million for the six months ended June 30, 2025 from RMB115.0 million for the six months ended June 30, 2024. For the first half of 2024, our revenue from energy solution business was primarily generated from sales of software and hardware integrated solutions to Customer B whereas such revenue generated for the first half of 2025 was all attributable to Technology Services projects which were of considerably smaller scale.
- **Urban Management Solution Business.** Revenue from urban management solution business increased significantly from RMB47,000 for the six months ended June 30, 2024 to RMB132.6 million for the six months ended June 30, 2025. Such revenue generated in the first half of 2024 was only in relation to our online e-commerce sale of home security devices, whereas such revenue generated in the first half of 2025 were mainly in relation to our sales of software and hardware integrated solutions to Customer K.

##### *Cost of sales*

Cost of sales increased by 80.1% to RMB140.8 million for the six months ended June 30, 2025 from RMB78.2 million for the six months ended June 30, 2024. This increase was mainly due to an increase in the cost of procurement for ancillary services which were in line with the increase in our Technology Services, and an increase in the cost of procurement of software mainly in connection with procurement cost of software for sales of software and hardware integrated solutions to Customer K.

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## FINANCIAL INFORMATION

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### ***Gross profit and gross profit margin***

Our gross profit decreased by 15.6% to RMB90.8 million for the six months ended June 30, 2025 from RMB107.5 million for the six months ended June 30, 2024. The decrease in gross profit was primarily due to a significant decrease in the gross profit from energy solution business as affected by a decrease in its gross profit margin primarily attributable to an increase in customized development projects for Technology Services which incurred more procurement cost of ancillary services.

Our overall gross profit margin decreased to 39.2% for the six months ended June 30, 2025, from 57.9% for the six months ended June 30, 2024, which was primarily due to the increase in revenue contribution from urban management solution business which had a lower gross profit margin for the six months ended June 30, 2025 as compared to the same period in 2024 because all of such revenue generated in the first half of 2024 was in relation to our overseas sales which had a relatively higher gross profit margin as compared to many of our products of urban management solution business sold in the PRC.

### ***Other income and gains***

Other income and gains decreased by 6.1% to RMB11.7 million for the six months ended June 30, 2025 from RMB12.5 million for the six months ended June 30, 2024. This decrease was primarily due to a decrease in value-added tax refund from RMB11.2 million for the six months ended June 30, 2024 to RMB9.5 million for the six months ended June 30, 2025.

### ***Selling and distribution expenses***

Selling and distribution expenses decreased by 18.0% to RMB6.5 million for the six months ended June 30, 2025 from RMB7.9 million for the six months ended June 30, 2024. This decrease was mainly attributable to a decrease in salaries and benefits for our sales and marketing staff due to a decrease in the number and average salaries of such staff.

### ***Research and development expenses***

Research and development expenses decreased by 42.8% to RMB22.7 million for the six months ended June 30, 2025 from RMB39.7 million for the six months ended June 30, 2024. This decrease was mainly due to a significant decrease in data-related service fees partly because a portion of such outsourced services engaged by us had not yet reached the acceptance stage as of June 30, 2025. The decrease in research and development expenses was partially offset by an increase in depreciation and amortization of R&D expenses over the same period, which was primarily due to the addition of computing power servers in the second half of 2024 for conducting our R&D activities.

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## FINANCIAL INFORMATION

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### *Administrative expenses*

Administrative expenses increased by 68.5% to RMB16.9 million for the six months ended June 30, 2025 from RMB10.0 million for the six months ended June 30, 2024. This increase was mainly attributable to the increase in listing expenses in connection with the Listing.

### *Net impairment losses on financial and contract assets*

Net impairment losses on financial and contract assets increased to RMB10.2 million for the six months ended June 30, 2025 from RMB7.1 million for the six months ended June 30, 2024 which was due to the increase in net impairment losses on trade receivables to RMB9.6 million for the six months ended June 30, 2025 from RMB3.1 million for the six months ended June 30, 2024. The increase was generally in line with the increase in our trade receivables balances over such period and also attributable to an increase in trade receivables aged over three years starting from the second half of 2024 resulting in more provisions made.

### *Income tax expense*

Our income tax expense increased by 65.9% to RMB4.3 million for the six months ended June 30, 2025 from RMB2.6 million for the six months ended June 30, 2024, whereas our profit before tax decreased by 16.8% to RMB44.3 million for the six months ended June 30, 2025 from RMB53.3 million for the six months ended June 30, 2024. This was mainly attributable to increased profitability of our Company over such period and a reduction in deductible research and development expenses of Zhonggui Railway, which resulted in higher income tax expense for the first half of 2025 as compared to the same period in 2024.

### *Profit for the period*

As a result of the foregoing, our profit for the period decreased by 21.0% to RMB40.1 million for the six months ended June 30, 2025 from RMB50.7 million for the six months ended June 30, 2024. Our net profit margin, which represents profit for the period as a percentage of revenue, decreased to 17.4% for the six months ended June 30, 2025 from 27.3% for the six months ended June 30, 2024 which was primarily due to the decrease in gross profit margin as discussed above.

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## FINANCIAL INFORMATION

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### Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

#### *Revenue*

Revenue increased by 10.7% to RMB402.6 million for the year ended December 31, 2024 from RMB363.7 million for the year ended December 31, 2023.

- **Transportation Solution Business.** Revenue from transportation solution business increased by 88.7% to RMB209.4 million for the year ended December 31, 2024 from RMB111.0 million for the year ended December 31, 2023. This increase was mainly attributable to (i) the increase in customer demand of our products and solutions of rail transit solution business as the railway bureau end customers rolled out their rail transit projects at a relatively quicker pace in 2024, (ii) the increase in the number of distributors as we tapped into more of such customers to enhance our sales coverage, and (iii) the increase in sales of other products of rail transit solution business (other than the Rail Transit 4C Products), mainly including newer products such as equipment status assessment systems and safety operation control systems, which are largely provided to enhance our product offering that caters to more application scenarios for newly engaged distributors in 2024.
- **Energy Solution Business.** Revenue from energy solution business increased by 23.1% to RMB174.5 million for the year ended December 31, 2024 from RMB141.7 million for the year ended December 31, 2023 which was primarily due to an increase in sales to direct customers in respect of both power grid inspection and Technology Services.
- **Urban Management Solution Business.** Revenue from urban management solution business decreased by 83.1% to RMB18.8 million for the year ended December 31, 2024 from RMB111.0 million for the year ended December 31, 2023. The considerably higher sales of urban management solution business generated in 2023 was due to our commencement of sales of integrated hardware and software solutions to Customer B in 2023 for urban management solution business.

#### *Cost of sales*

Cost of sales increased by 8.6% to RMB165.4 million for the year ended December 31, 2024 from RMB152.4 million for the year ended December 31, 2023, which was primarily due to an increase in hardware-dominant procurement cost mainly resulting from an increase in the sales of integrated software and hardware solutions in 2024 as compared to 2023.



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## FINANCIAL INFORMATION

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### ***Gross profit and gross profit margin***

Our gross profit increased by 12.2% to RMB237.2 million for the year ended December 31, 2024 from RMB211.3 million for the year ended December 31, 2023. The increase in gross profit was mainly attributable to (i) the increase in gross profit of transportation solution business by 44.5% to RMB148.4 million for the year ended December 31, 2024 from RMB102.6 million for the year ended December 31, 2023, and (ii) the increase in gross profit of energy solution business by 33.8% to RMB86.5 million for the year ended December 31, 2024 from RMB64.7 million for the year ended December 31, 2023, partially offset by the decrease in gross profit of urban management solution business by 94.8% to RMB2.3 million for the year ended December 31, 2024 from RMB44.0 million for the year ended December 31, 2023.

Our overall gross profit margin remained relatively stable at 58.1% and 58.9% for the years ended December 31, 2023 and 2024, respectively.

### ***Other income and gains***

Other income and gains increased by 156.9% to RMB23.7 million for the year ended December 31, 2024 from RMB9.2 million for the year ended December 31, 2023. This increase was primarily due to the increase in value-added tax refund by 471.4% to RMB20.2 million for the year ended December 31, 2024 from RMB3.5 million for the year ended December 31, 2023. This was mainly because we deferred declaration for certain VAT refund for 2023 to 2024 as our Company was in the process of changing its administrative district in 2023, which resulted in more VAT refund received in 2024 as compared to 2023. Further, the reason why we had considerably lower amount of value-added tax refund in 2023 as compared to other years of the Track Record Period was also because certain input VAT invoices for 2022 were only received by us in early 2023 and used for VAT refund declaration in 2023, which let to more input VAT deducted in 2023 and consequently lower VAT collected with lower amount of VAT refund granted as compared to 2022.

### ***Selling and distribution expenses***

Selling and distribution expenses decreased by 5.0% to RMB16.3 million for the year ended December 31, 2024 from RMB17.2 million for the year ended December 31, 2023. This decrease was mainly attributable to the significant decrease in business development expenses by 98.9% to RMB65,000 for the year ended December 31, 2024 from RMB5.7 million for the year ended December 31, 2023, which mainly reflected our enhanced sales and marketing capabilities to procure customers by other means. The decrease in selling and distribution expenses was partially offset by the increase in salaries and benefits of our sales and marketing staff by 58.4% to RMB9.7 million for the year ended December 31, 2024 from RMB6.1 million for the year ended December 31, 2023, which was attributable to the increase in the number and average salaries of our sales and marketing staff over such years.

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## FINANCIAL INFORMATION

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### *Research and development expenses*

Research and development expenses increased by 5.1% to RMB59.6 million for the year ended December 31, 2024 from RMB56.6 million for the year ended December 31, 2023. This increase was mainly attributable to (i) the increase in salaries and benefits of our R&D staff by 41.5% to RMB17.2 million for the year ended December 31, 2024 from RMB12.1 million for the year ended December 31, 2023 which was mainly due to the increase in the average salaries of our R&D staff over such years, and (ii) the increase in depreciation and amortization by 462.8% to RMB5.6 million for the year ended December 31, 2024 from RMB1.0 million for the year ended December 31, 2023 which was mainly in relation to amortization of intangible assets for our R&D activities, partially offset by a decrease in data-related service fees by 21.9% to RMB23.7 million for the year ended December 31, 2024 from RMB30.3 million for the year ended December 31, 2023, which was mainly because we engaged less on outsourced data collection and annotation, etc, based on our varying R&D needs.

### *Administrative expenses*

Administrative expenses increased by 88.8% to RMB35.8 million for the year ended December 31, 2024 from RMB19.0 million for the year ended December 31, 2023. This increase was mainly attributable to (i) the listing expenses of RMB14.7 million incurred for the year ended December 31, 2024 in connection with the Listing whereas no such expense was incurred in previous years, (ii) an increase in depreciation by 130.0% to RMB3.3 million for the year ended December 31, 2024 from RMB1.4 million for the year ended December 31, 2023 for the addition of our leases in the PRC, and (iii) the increase in taxes and surcharges by 50.6% to RMB3.6 million for the year ended December 31, 2024 from RMB2.4 million for the year ended December 31, 2023.

### *Net impairment losses on financial and contract assets*

Net impairment losses on financial and contract assets decreased to RMB19.4 million for the year ended December 31, 2024 from RMB28.6 million for the year ended December 31, 2023 primarily attributable to the decrease in net impairment losses on trade receivables to RMB15.3 million for the year ended December 31, 2024 from RMB28.1 million for the year ended December 31, 2023, which was largely due to the acceleration of settlement in 2024 of trade receivables as of December 31, 2023 with respect to the age buckets of less than 1 year and 1 to 2 years, that consequently brought down the migration rate and ECL rate adopted for 2024. For further details, see “— Description of Selected Consolidated Statements of Financial Position Items — Trade and Bill Receivables — Trade Receivables — Allowance for impairment of trade receivables.”

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## FINANCIAL INFORMATION

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### *Income tax expense*

Our income tax expense increased by 29.4% to RMB10.7 million for the year ended December 31, 2024 from RMB8.3 million for the year ended December 31, 2023 which was generally in line with an increase in our profit before tax by 30.2% to RMB126.1 million for the year ended December 31, 2024 from RMB96.9 million for the year ended December 31, 2023.

### *Profit for the year*

As a result of the foregoing, our profit for the year increased by 30.3% to RMB115.4 million for the year ended December 31, 2024 from RMB88.6 million for the year ended December 31, 2023. Our net profit margin, which represents profit for the year as a percentage of revenue, increased to 28.6% for the year ended December 31, 2024 from 24.3% for the year ended December 31, 2023 which was primarily due to the increase in other income and gains and the decrease in impairment losses on financial and contract assets as discussed above.

### **Year Ended December 31, 2023 Compared to Year Ended December 31, 2022**

#### *Revenue*

Revenue increased by 44.0% to RMB363.7 million for the year ended December 31, 2023 from RMB252.6 million for the year ended December 31, 2022.

- **Transportation Solution Business.** Revenue from transportation solution business increased by 9.9% to RMB111.0 million for the year ended December 31, 2023 from RMB101.0 million for the year ended December 31, 2022. This increase was mainly attributable to the increasing customer demand of our rail transit solution business as we continued to enhance the brand recognition and industry presence of our products.
- **Energy Solution Business.** Revenue from energy solution business increased by 53.2% to RMB141.7 million for the year ended December 31, 2023 from RMB92.5 million for the year ended December 31, 2022 which was mainly attributable to (i) the increase in sales to system integrators in 2023 as compared to 2022 for provision of IT operation and maintenance solutions in connection with integrated grid construction projects, and (ii) the increase in sales of solutions for power grid inspection.
- **Urban Management Solution Business.** Revenue from urban management solution business increased by 87.8% to RMB111.0 million for the year ended December 31, 2023 from RMB59.1 million for the year ended December 31, 2022. This increase was attributable to the increase in direct customer sales as we commenced such sales in 2023 to Customer B for urban management solution business.

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## FINANCIAL INFORMATION

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### *Cost of sales*

Cost of sales increased by 35.7% to RMB152.4 million for the year ended December 31, 2023 from RMB112.3 million for the year ended December 31, 2022, which was mainly attributable to the increase in procurement cost of software by 104.4% to RMB106.3 million for the year ended December 31, 2023 from RMB52.0 million for the year ended December 31, 2022, as we had more sales to system integrators for energy solution business in 2023 which were mainly provided in software products. The increase in cost of sales was partially offset by the decrease in hardware-dominant procurement cost by 13.8% to RMB45.9 million for the year ended December 31, 2023 from RMB53.2 million for the year ended December 31, 2022, which was because of relatively higher sales to system integrators for our urban management solution business in 2022 as compared to 2023.

### *Gross profit and gross profit margin*

Our gross profit increased by 50.6% to RMB211.3 million for the year ended December 31, 2023 from RMB140.4 million for the year ended December 31, 2022. The increase in gross profit was mainly due to an increase in total revenue along with our expansion of business scale as reflected by (i) the increase in gross profit of transportation solution business by 15.5% to RMB102.6 million for the year ended December 31, 2023 from RMB88.9 million for the year ended December 31, 2022, (ii) the increase in gross profit of energy solution business by 86.3% to RMB64.7 million for the year ended December 31, 2023 from RMB34.7 million for the year ended December 31, 2022, and (iii) the increase in gross profit of urban management solution business by 162.5% to RMB44.0 million for the year ended December 31, 2023 from RMB16.8 million for the year ended December 31, 2022.

Our overall gross profit margin increased to 58.1% for the year ended December 31, 2023 from 55.6% for the year ended December 31, 2022 as the gross profit margin of all our three businesses increased over such periods. In particular, gross profit margin of urban management solution business increased to 39.6% for the year ended December 31, 2023 from 28.3% for the year ended December 31, 2022 which was mainly driven by our pricing policies for urban management solution business as we continued to enhance our brand recognition and product appeal and gradually managed to adjust our pricing in a way that improved our gross profit margin; gross profit margin of energy solution business increased to 45.6% for the year ended December 31, 2023 from 37.5% for the year ended December 31, 2022 which was primarily due to the relatively higher gross profit margin for direct sales of power grid inspection in 2023.

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## FINANCIAL INFORMATION

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### *Other income*

Other income decreased by 53.5% to RMB9.2 million for the year ended December 31, 2023 from RMB19.9 million for the year ended December 31, 2022. This decrease was primarily due to the decrease in value-added tax refund by 78.4% to RMB3.5 million for the year ended December 31, 2023 from RMB16.3 million for the year ended December 31, 2022. We had considerably lower amount of value-added tax refund in 2023 as compared 2022 which was mainly because certain input VAT invoices for 2022 were only received by us in early 2023 and used for VAT refund declaration in 2023, which let to more input VAT deducted in 2023 and consequently lower VAT collected with lower amount of VAT refund granted as compared to 2022. Such a decrease was partially offset by an increase in government grants by 127.6% to RMB4.5 million for the year ended December 31, 2023 from RMB2.0 million for the year ended December 31, 2022.

### *Selling and distribution expenses*

Selling and distribution expenses increased significantly by 57.4% to RMB17.2 million for the year ended December 31, 2023 from RMB10.9 million for the year ended December 31, 2022. This increase was mainly attributable to (i) the increase in salaries and benefits of our sales and marketing staff by 96.5% to RMB6.1 million for the year ended December 31, 2023 from RMB3.1 million for the year ended December 31, 2022, which was attributable to the increase in the number and average salaries of our sales and marketing staff over such periods, (ii) the increase in travelling expenses by 134.3% to RMB2.6 million for the year ended December 31, 2023 from RMB1.1 million for the year ended December 31, 2022 and the increase in entertainment expenses by 238.3% to RMB2.0 million for the year ended December 31, 2023 from RMB0.6 million for the year ended December 31, 2022, both of which were in relation to our enhanced efforts in sales and marketing over such periods.

### *Research and development expenses*

Research and development expenses increased by 27.3% to RMB56.6 million for the year ended December 31, 2023 from RMB44.5 million for the year ended December 31, 2022. This increase was mainly attributable to (i) the significant increase in salaries and benefits of our R&D staff by 119.7% to RMB12.1 million for the year ended December 31, 2023 from RMB5.5 million for the year ended December 31, 2022 which was resulting from the increases in the number and average salaries of our R&D staff over such periods, and (ii) the increase in data-related service fees in relation to fees paid to outsourced data related service providers for data collection, cleansing, rendering and annotation in connection with further development of our NBK-INTARI AI Platform and various AI industry models.

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## FINANCIAL INFORMATION

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### *Administrative expenses*

Administrative expenses increased by 26.5% to RMB19.0 million for the year ended December 31, 2023 from RMB15.0 million for the year ended December 31, 2022. This increase was mainly attributable to the increase in salaries and benefits of our management, administrative and finance staff by 41.0% to RMB5.9 million for the year ended December 31, 2023 from RMB4.2 million for the year ended December 31, 2022, which was attributable to the increase in the average salaries and number of our management, administrative and finance staff over such periods.

### *Net impairment losses on financial and contract assets*

Net impairment losses on financial and contract assets increased to RMB28.6 million for the year ended December 31, 2023 from RMB15.3 million for the year ended December 31, 2022 primarily due to the increase in net impairment losses on trade receivables to RMB28.1 million for the year ended December 31, 2023 from RMB15.0 million for the year ended December 31, 2022. The increase was generally in line with the increase in our trade receivables balances from as of December 31, 2022 to as of December 31, 2023.

### *Income tax expense*

Our income tax expense decreased by 11.7% to RMB8.3 million for the year ended December 31, 2023 from RMB9.4 million for the year ended December 31, 2022 despite of an increase in our profit before tax by 33.5% to RMB96.9 million for the year ended December 31, 2023 from RMB72.6 million for the year ended December 31, 2022. This was mainly due to the preferential income tax treatment enjoyed by our PRC subsidiaries during such periods. For further details, see “— Description of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Line Items — Income Tax.”

### *Profit for the year*

As a result of the foregoing, our profit for the year increased by 40.2% to RMB88.6 million for the year ended December 31, 2023 from RMB63.2 million for the year ended December 31, 2022. Our net profit margin, which represents profit for the year as a percentage of revenue, decreased to 24.3% for the year ended December 31, 2023 from 25.1% for the year ended December 31, 2022 which was primarily due to an increases in the impairment losses on financial and contract assets as discussed above.

## FINANCIAL INFORMATION

### DESCRIPTION OF SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ITEMS

The following table sets forth our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment . . . . .	2,905	3,976	79,289	66,499
Right-of-use assets . . . . .	3,866	5,954	6,171	4,332
Intangible assets . . . . .	—	6,777	3,299	1,776
Contract assets . . . . .	2,795	3,228	26,719	27,652
Prepayments, other receivables and other assets . . . . .	83	253	250	650
Deferred tax assets . . . . .	7,361	11,748	13,916	15,219
Total non-current assets . . . . .	17,010	31,936	129,644	116,128
<b>CURRENT ASSETS</b>				
Inventories . . . . .	2,041	4,570	4,312	3,245
Contract costs . . . . .	76,566	49,039	6,018	12,993
Trade and bills receivables . .	182,656	303,294	475,804	477,704
Contract assets . . . . .	813	310	2,550	3,025
Prepayments, other receivables and other assets . . . . .	48,236	64,417	48,732	53,888
Pledged deposits . . . . .	—	—	1,803	2,877
Cash and cash equivalents . .	138,455	84,539	167,332	337,821
Total current assets . . . . .	448,767	506,169	706,551	891,553
<b>CURRENT LIABILITIES</b>				
Trade and bill payables . . . .	104,097	27,985	54,248	126,311
Other payables and accruals . .	9,727	11,944	40,018	13,696
Interest-bearing bank loans . .	30,194	79,500	90,000	170,500
Lease liabilities . . . . .	1,068	2,083	2,848	3,028
Deferred income . . . . .	370	—	—	—
Tax payable . . . . .	8,034	4,915	6,623	3,791
Total current liabilities . . . . .	153,490	126,427	193,737	317,326
NET CURRENT ASSETS . . . . .	295,277	379,742	512,814	574,227
<b>TOTAL ASSETS LESS CURRENT LIABILITIES .</b>	<b>312,287</b>	<b>411,678</b>	<b>642,458</b>	<b>690,355</b>
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing bank loans . .	—	10,000	—	9,500
Lease liabilities . . . . .	2,586	3,411	2,737	1,053
Total non-current liabilities . .	2,586	13,411	2,737	10,533
Net assets . . . . .	309,701	398,267	639,721	679,802



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## FINANCIAL INFORMATION

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### **Property, Plant and Equipment**

Property, plant and equipment mainly consists of servers, leasehold improvements, furniture and equipment and motor vehicles. As of December 31, 2022, 2023 and 2024 and June 30, 2025, property, plant and equipment were RMB2.9 million, RMB4.0 million, RMB79.3 million, and RMB66.5 million, respectively. The substantial increase in balance of property, plant and equipment from RMB4.0 million as of December 31, 2023 to RMB79.3 million as of December 31, 2024 was mainly attributable to (i) the additions of RMB65.9 million of servers in 2024 mainly in relation to our purchase of computing power servers for our R&D technology center, and (ii) the additions of leasehold improvements of RMB11.9 million in relation to our increased leased properties in the PRC. For further details, see Note 13 of the Accountants' Report in Appendix I to this prospectus.

### **Right-of-use Assets**

Right-of-use assets represent the right to use the underlying assets of our leases in the PRC where we act as lessee. We have lease contracts for office premises used in our operations. Leases of office premises generally have lease terms between two to five years.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, right-of-use assets were RMB3.9 million, RMB6.0 million, RMB6.2 million, and RMB4.3 million, respectively, the increase in the carrying amounts of which was generally in line with the increase in our leases in the PRC for our business expansion. For further details, see Note 2.3 and Note 14 of the Accountants' Report in Appendix I to this prospectus.

### **Intangible Assets**

We recorded intangible assets of nil, RMB6.8 million, RMB3.3 million and RMB1.8 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. Such intangible assets mainly included data assets model materials procured by us and a digital assets management software licensed to us in 2023 for use in our R&D activities. For further details, see Note 2.3 and Note 15 of the Accountants' Report in Appendix I to this prospectus.

### **Contract Assets**

Contract assets represent retention receivables in relation to provision of products and solutions. We typically offer to our customers a product warranty period ranging from one to three years from date of sale. Generally 3% to 10% of the contract value served as the retention, or quality assurance deposits, which shall be withheld from payment until expiry of the product warranty period. Upon expiration of the product warranty period, the amounts recognized as contract assets are reclassified to trade receivables. The general increase in contract assets was the result of the increase in the ongoing provision of products and solutions as of the end of each of the Track Record Period. For further details, see Note 2.3 and Note 19 of the Accountants' Report in Appendix I to this prospectus.



## FINANCIAL INFORMATION

The following table sets forth the breakdown of our contract assets as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets . . . . .	3,989	3,957	31,170	32,728
Impairment . . . . .	<u>(381)</u>	<u>(419)</u>	<u>(1,901)</u>	<u>(2,051)</u>
<b>Net carrying amount . . . . .</b>	<b><u>3,608</u></b>	<b><u>3,538</u></b>	<b><u>29,269</u></b>	<b><u>30,677</u></b>

The following table sets forth the expected timing of recovery or settlement for contract assets as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current:				
– Within one year . . . . .	813	310	2,550	3,025
Non-current:				
– After one year . . . . .	<u>2,795</u>	<u>3,228</u>	<u>26,719</u>	<u>27,652</u>
<b>Total . . . . .</b>	<b><u>3,608</u></b>	<b><u>3,538</u></b>	<b><u>29,269</u></b>	<b><u>30,677</u></b>

The significant increase of non-current contract assets from RMB3.2 million as of December 31, 2023 to RMB26.7 million as of December 31, 2024 and further to RMB27.7 million as of June 30, 2025 was mainly attributable to the contract assets recognized as of such dates in relation to retention receivables over one year from Customer B. Based on our agreed contract terms with Customer B, such non-current contract assets in relation to retention receivables from Customer B were expected to be recovered or settled by the first half of 2027.

## FINANCIAL INFORMATION

The following table sets forth the movement in the loss allowance for impairment of contract assets as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year . . . . .	102	381	419	1,901
Impairment losses, net . . . . .	<u>279</u>	<u>38</u>	<u>1,482</u>	<u>150</u>
At end of year . . . . .	<u>381</u>	<u>419</u>	<u>1,901</u>	<u>2,051</u>

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates of contract assets are based on ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions. For further information on the credit risk exposure on the Group's contract assets using a provision matrix, see Note 19 of the Accountants' Report in Appendix I to this prospectus.

As of October 31, 2025, RMB1.8 million, or approximately 5.6% of the contract assets as of June 30, 2025 had been subsequently certified.

### Deferred Tax Assets

As of December 31, 2022, 2023 and 2024 and June 30, 2025, deferred tax assets were RMB7.4 million, RMB11.7 million, RMB13.9 million, and RMB15.2 million, respectively. The increase in the net carrying amounts of deferred tax assets during the Track Record Period was mainly attributable to the deferred tax credited to profit or loss arising from impairment of financial and contract assets, as well as accruals, partially offset by the deferred tax liabilities arising from right-of-use assets. For further details, see Note 26 of the Accountants' Report in Appendix I to this prospectus.

## FINANCIAL INFORMATION

### Inventories

As of December 31, 2022, 2023 and 2024 and June 30, 2025, inventories were RMB2.0 million, RMB4.6 million, RMB4.3 million, and RMB3.2 million, respectively, which primarily consisted of (i) raw materials such as hardware components and materials for assembly into hardware products, (ii) work in progress, and (iii) finished goods of our software and hardware integrated solutions mainly for rail transit solution business. For further details, see Note 16 of the Accountants' Report in Appendix I to this prospectus. The following table sets forth the breakdown of our inventories as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
Raw materials . . . . .	27	742	794	800
Work in progress . . . . .	—	505	8	8
Finished goods . . . . .	2,014	3,323	3,510	2,437
<b>Total . . . . .</b>	<b>2,041</b>	<b>4,570</b>	<b>4,312</b>	<b>3,245</b>

Inventories increased from RMB2.0 million as of December 31, 2022 to RMB4.6 million as of December 31, 2023 mainly due to the increase in finished goods by the end of 2023 also in relation to our software and hardware integrated solutions ready for delivery to customers for our rail transit solution business.

The following table sets forth the average inventory turnover days for the periods indicated:

	Year ended December 31,			Six months
	2022	2023	2024	ended
				June 30,
Average inventory turnover				2025
days <sup>(1)</sup> . . . . .	4	8	10	5

*Note:*

- (1) Calculated using the average of the beginning and ending balances of inventories for such period divided by the cost of sales for the relevant period and multiplied by the number of days during such period.

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## FINANCIAL INFORMATION

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Inventories are measured at the lower of cost or net realizable value and with their recoverability regularly assessed by us. During the Track Record Period, we purchased inventories generally based on existing sales orders and inventories were consumed relatively quickly after procurement with adequate provision being made where needed. We expect that we will maintain a stable and optimal level of inventories going forward. Our Directors confirmed that we had not experienced any material recoverability issues for our inventories during the Track Record Period. We do not anticipate to have any material recoverability or impairment issues for our inventories in the foreseeable future, given that (i) the accumulation of our inventories are backed by existing orders made from our customers, and will be recognized as cost of sales per the satisfaction of our related performance obligations; (ii) we had not encountered any material impairment loss that have materially and adversely affected our business operations caused by slow-moving inventories during the Track Record Period; (iii) to the best knowledge of our Directors, our customer base maintains healthy financial condition in general; (iv) our inventories are generally not perishable in nature and can maintain marketable value with relatively long life cycle; and (v) our management is of the view that the risk of failure to satisfy our related performance obligations is remote considering our sound business operation and financial condition. Our Directors believe that our inventories will be utilized in due course in the course of our business growth and the continuously increasing demand for our solutions. Besides, we have taken effective inventory management measures, including closely monitor our inventory level and performing inventory count and physical inspection periodically, and will from time to time review and make sufficient provisions if needed.

As of October 31, 2025, RMB1.7 million, or approximately 41.5% of our gross inventories as of June 30, 2025 had been subsequently utilized.

### **Contract Costs**

Contract costs represent costs incurred to fulfil a contract with a customer that are capitalised as an asset provided the relevant criteria are met. For further details, see “— Certain Critical Accounting Policies and Accounting Estimates and Judgements — Contract Costs”, Note 2.3 and Note 17 of the Accountants’ Report in Appendix I to this prospectus.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, contract costs were RMB76.6 million, RMB49.0 million, RMB6.0 million, and RMB13.0 million, respectively. Contract costs of RMB76.6 million as of December 31, 2022 mainly represented costs to fulfill contracts in relation to software procured by us for sales of energy solution business in connection with integrated grid construction. Contract costs of RMB49.0 million as of December 31, 2023 mainly represented costs to fulfill contracts in relation to node servers procured by us for sales of energy solution business.

## FINANCIAL INFORMATION

### Trade and Bills Receivables

The following table sets forth the breakdown of trade and bills receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables . . . . .	198,180	352,951	539,565	545,433
Bills receivable . . . . .	6,240	200	1,411	2,881
	204,420	353,151	540,976	548,314
Impairment . . . . .	(21,764)	(49,857)	(65,172)	(70,610)
Net carrying amount . . . . .	<u>182,656</u>	<u>303,294</u>	<u>475,804</u>	<u>477,704</u>

### Trade Receivables

Our trading terms with customers are mainly on credit. The credit terms are granted generally of up to 12 months, depending on the specific payment terms in each contract. In some cases with sales to system integrators, the payment term is subject to the payment timing of end customers to the system integrators in the first place. For further details, see “Business — Customer and Customer Support — Customer Credit Terms.” We seek to maintain strict control over our outstanding trade receivables. Overdue balances are reviewed regularly by our senior management. We do not hold any collateral or other credit enhancements over our trade receivable balances. Our trade receivables are non-interest-bearing and due from third parties. For further details, see Note 18 of the Accountants’ Report in Appendix I to this prospectus.

The following table sets forth the breakdown of trade receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables . . . . .	198,180	352,951	539,565	545,433
Impairment . . . . .	(21,764)	(49,857)	(65,172)	(70,610)
Net carrying amount . . . . .	<u>176,416</u>	<u>303,094</u>	<u>474,393</u>	<u>474,823</u>

## FINANCIAL INFORMATION

As of December 31, 2022, 2023 and 2024 and June 30, 2025, trade receivables were RMB176.4 million, RMB303.1 million, RMB474.4 million, and RMB474.8 million, respectively. The increase in the balances of trade receivables during the Track Record Period were generally attributable to the increase in the sales of our products and solutions as our business was expanded over the same periods. Moreover, such continued increase in trade receivables during the Track Record Period was also caused by our extended period for collecting trade receivables from time to time as (i) certain of our sales are made to end customers from the public sector that feature relatively solid credit status yet a long payment cycle because of their internal financial management and payment approval processes. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our gross trade receivables from direct sales to public sector customers were RMB8.6 million, RMB139.0 million, RMB137.0 million, and RMB188.2 million, respectively, and (ii) we also have sales made indirectly to such end customers, such as those through system integrators, whereby our payment collection from system integrators may be dependent on payment from the end customers in the first place (for further details, see “Business — Sales Channels — Sales to System Integrators”), or such sales are made through distributors who had encountered payment difficulties due to the delays in railway customer projects as impacted by COVID-19 in 2022 (for further details, see “Business — Impact of the Covid-19 Pandemic”). As of December 31, 2022, 2023 and 2024 and June 30, 2025, our gross trade receivables from indirect sales to public sector customers were RMB172.7 million, RMB195.7 million, RMB333.4 million, and RMB300.3 million, respectively. According to CIC, such back-to-back payment arrangements with system integrators are in line with industry norm for our sales to these customers.

### *Allowance for impairment of trade receivables*

The following table sets forth the movement in the loss allowance for impairment of trade receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year . . . . .	6,717	21,764	49,857	65,172
Impairment losses, net . . . . .	15,047	28,093	15,315	9,566
Amount written off as uncollectible . . . . .	—	—	—	(4,128)
At end of year/period . . . . .	<u>21,764</u>	<u>49,857</u>	<u>65,172</u>	<u>70,610</u>

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## FINANCIAL INFORMATION

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An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions. Trade receivables for which the counterparties failed to make the demanded repayments are defaulted receivables.

In 2024, we provided for 100% of the defaulted receivables in the amount of RMB4.1 million in respect to our outstanding trade receivables from Customer A for the provision of Specific Maintenance and Upgrade Services primarily due to non-payment by end customer(s) which negatively impacted Customer A's subsequent payment to us as a system integrator. Furthermore, for the portion of such services not yet delivered by us, we early terminated such remaining portion of the contract in the amount of RMB5.2 million pursuant to mutual agreement with Customer A. As of the Latest Practicable Date, we did not have any ongoing project with Customer A after the aforementioned write-off of the defaulted receivables and early termination of the contract and there were no other outstanding receivables due from Customer A as of the Latest Practicable Date.

Our overall expected credit loss rates, or ECL rates, in respect of trade receivables were 11.0%, 14.1%, 12.1% and 12.9% as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. For more information on the credit risk exposure on our trade receivables using a provision matrix, see Note 18 of the Accountants' Report in Appendix I to this prospectus. During the Track Record Period, aging analysis of our trade receivable are categorized into four age buckets (based on invoice date): (a) less than 1 year, (b) 1 to 2 years, (c) 2 to 3 years, and (d) 3 to 4 years. ECL rates can be determined by calculating (A) the migration rate of trade receivables within each age bucket to the next higher age bucket after one year, and (B) the average migration rate for each age bucket over the past three years. Consequently, the ECL rates for each year of the Track Record Period are affected by the amount of trade receivables collected by us within the relevant age bucket over the past three years. Additionally, since the migration rate calculation cannot be applied to the highest age bucket (i.e., 2 to 3 years age bucket for 2022 and 2023 and 3 to 4 years age bucket for 2024 and the six months ended June 30, 2025), the ECL rate for the relevant highest age bucket is also assessed with reference to the ECL rates of peer companies where applicable. Our overall trade receivable ECL rate increased from 11.0% for 2022 to 14.1% for 2023 which was mainly due to the increase in the balances of trade receivables aged over one year. The overall trade receivable ECL rate decreased from 14.1% for 2023 to 12.1% for 2024, which was primarily due to the acceleration of settlement in 2024 of trade receivables as of December 31, 2023 with respect to the age buckets of less than 1 year and 1 to 2 years, that consequently brought down the migration rate and ECL rate adopted for 2024. The overall trade receivable ECL rate increased to 12.9% for the six months ended June 30, 2025, which was primarily attributable to the increase in the balances of trade receivables aged over three years as of June 30, 2025.

## FINANCIAL INFORMATION

The changes in the allowance for impairment of trade receivables during the Track Record Period was mainly attributable to (i) the increase in the balance of our trade receivables as discussed above in “— Description of Selected Consolidated Statements of Financial Position Items — Trade and Bill Receivables — Trade Receivables”, and in particular, the increase in the balances of long-aging trade receivables aged over one year that were mainly in relation to our sales directly or indirectly to end customers in the public sector with relatively prolonged payment cycle, and (ii) the changes in the ECL rates adopted by us as discussed above.

### *Aging analysis of trade receivables*

The following table sets forth the aging analysis of the trade receivables (based on the invoice date and net of loss allowance) as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year . . . . .	161,725	232,878	375,139	358,214
1 to 2 years . . . . .	14,667	59,194	71,018	94,521
2 to 3 years . . . . .	24	11,022	25,693	4,762
3 to 4 years . . . . .	—	—	2,543	17,326
<b>Total . . . . .</b>	<b>176,416</b>	<b>303,094</b>	<b>474,393</b>	<b>474,823</b>

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our trade receivables that were outstanding for more than one year based on invoice date (the “**long-aging trade receivables**”) amounted to RMB14.7 million, RMB70.2 million, RMB99.3 million, and RMB116.6 million, respectively, accounting for 8.3%, 23.2%, 20.9% and 24.6% of our trade receivables balances as of the respective dates; in particular, our trade receivables that were outstanding for more than two years based on invoice date amounted to RMB24,000, RMB11.0 million, RMB28.2 million, and RMB22.1 million, respectively, accounting for 0.0%, 3.6%, 6.0% and 4.7% of our trade receivables balances as of the respective dates. During the Track Record Period, these long-aging trade receivables were mainly in relation to our sales directly or indirectly to end customers in the public sector with relatively prolonged payment cycle as discussed above in “— Description of Selected Consolidated Statements of Financial Position Items — Trade and Bill Receivables — Trade Receivables”.



## FINANCIAL INFORMATION

The following tables set forth the breakdowns of gross trade receivables and aging analysis thereof (based on due date) by customer type as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Distributors . . . . .	78,264	136,959	263,442	259,767
System Integrators . . . . .	94,396	58,699	69,989	40,552
Direct Customers . . . . .	25,520	157,293	206,134	245,114
<b>Total . . . . .</b>	<b>198,180</b>	<b>352,951</b>	<b>539,565</b>	<b>545,433</b>

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Not overdue</b>				
– Distributors . . . . .	76,264	111,459	212,500	204,995
– System Integrators . . . . .	34,818	3,068	20,378	2,614
– Direct Customers . . . . .	12,188	143,969	131,197	148,048
	123,270	258,496	364,075	355,657
<b>Overdue within 1 year</b>				
– Distributors . . . . .	2,000	25,500	49,500	51,831
– System Integrators . . . . .	59,578	22,490	3,068	1,531
– Direct Customers . . . . .	13,251	5,390	73,066	88,647
	74,829	53,380	125,634	142,009
<b>Overdue for more than 1 year</b>				
– Distributors . . . . .	–	–	1,442	2,941
– System Integrators . . . . .	–	33,141	46,542	36,407
– Direct Customers . . . . .	81	7,934	1,872	8,419
	81	41,075	49,856	47,767
<b>Total . . . . .</b>	<b>198,180</b>	<b>352,951</b>	<b>539,565</b>	<b>545,433</b>

## FINANCIAL INFORMATION

The following tables set forth the breakdowns of gross trade receivables and the aging analysis thereof (based on due date) by end customer type as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Public sector <sup>(1)</sup> . . . . .	181,254	334,676	470,360	488,477
Non-public sector . . . . .	16,926	18,275	69,205	56,956
<b>Total</b> . . . . .	<b>198,180</b>	<b>352,951</b>	<b>539,565</b>	<b>545,433</b>

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Not overdue</b>				
– Public sector <sup>(1)</sup> . . . . .	114,442	246,496	310,679	308,180
– Non-public sector . . . . .	8,828	12,000	53,396	47,477
	123,270	258,496	364,075	355,657
<b>Overdue within 1 year</b>				
– Public sector <sup>(1)</sup> . . . . .	66,770	51,162	110,210	139,786
– Non-public sector . . . . .	8,059	2,218	15,424	2,223
	74,829	53,380	125,634	142,009
<b>Overdue for more than 1 year</b>				
– Public sector <sup>(1)</sup> . . . . .	42	37,019	49,471	40,511
– Non-public sector . . . . .	39	4,056	385	7,256
	81	41,075	49,856	47,767
<b>Total</b> . . . . .	<b>198,180</b>	<b>352,951</b>	<b>539,565</b>	<b>545,433</b>

*Note:*

- (1) Public sector refers to end customers that are state-owned enterprises and/or are engaged in public services, including railway and other public transportation, power grid and other utilities services, government agencies, public medical and educational institutions, etc.

## FINANCIAL INFORMATION

### *Average trade receivables turnover days*

The following table sets forth the average trade receivables turnover days for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
Average trade receivables turnover days <sup>(1)</sup> . . . . .	<u>192</u>	<u>241</u>	<u>352</u>	<u>373</u>

*Note:*

- (1) Calculated using the average of the beginning and ending balances of trade receivables for the period by the revenue for the relevant period and multiplied by the number of days during such a period.

Average trade receivables turnover days indicate the average time required for us to collect cash payments from the provision of products and solutions. The consistent increase in average trade receivables days during the Track Record Period was generally in line with the increase in the balances of our trade receivables mainly as a result of the increase in sales of our products and solutions to customers as we expanded the business scale and coverage during such periods. Such continued increase in trade receivables during the Track Record Period was also caused by our extended period for collecting trade receivables from time to time mainly in relation to our sales directly or indirectly to end customers in the public sector. Our gross trade receivables for sales to public sector end customers increased from RMB181.3 million as of December 31, 2022 to RMB334.7 million as of December 31, 2023, further to RMB470.4 million as of December 31, 2024, and continued to increase to RMB488.5 million as of June 30, 2025. In particular, (i) certain of our sales are made to end customers from the public sector that feature relatively solid credit status yet a long payment cycle because of their internal financial management and payment approval processes, and (ii) we also have sales made indirectly to such end customers, such as those through system integrators, whereby our payment collection from system integrators may be dependent on payment from the end customers in the first place, or such sales are made through distributors who had encountered payment difficulties due to the delays in railway customer projects as impacted by COVID-19 in 2022.

The average trade receivables turnover days during the Track Record Period were generally within the range of credit terms typically granted by us to customers that are further discussed in “Business — Customer and Customer Support — Customer Credit Terms.” According to CIC, such range of credit period for customers is generally in line with industry practice with respect to the industries in which we operate.

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## FINANCIAL INFORMATION

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### *Subsequent settlement and recoverability of trade receivables*

As of October 31, 2025, RMB115.5 million, or approximately 21.2% of our gross trade receivables as of June 30, 2025 had been subsequently settled.

As of October 31, 2025, RMB74.9 million, or approximately 45.9% of our gross trade receivables as of June 30, 2025 aged over one year had been subsequently settled.

Our Directors consider that there is no material recoverability issue with respect to our trade receivables, especially those long-aging trade receivables aged over one year, and that the remaining outstanding balances provided therefor are recoverable. These are based on the following reasons:

- (i) our long-aging trade receivables are primarily related to (a) sales directly to end customers from public sector that feature relatively solid credit status with longer payment cycle caused largely by their internal financial management and payment approval processes rather than by deterioration in their own financial condition, or (b) sales made indirectly through system integrators or distributors to such public sector end customers,
- (ii) we monitor long-aging trade receivables closely and request the collection status thereof to be reported regularly to the management, and we have taken various measures to enhance the collection of such trade receivables, including:
  - (a) negotiation with customers for shortening of credit terms where possible and/or negotiation with customers for adjusted repayment schedule from time to time,
  - (b) strictly implementing a mandatory internal system of trade receivables approval form to escalate overdue balances for management review and action,
  - (c) encouraging our relevant business staff to proactively follow up on acceleration of payment collection and setting trade receivable collection rate as a key performance indicator linked to staff bonus,
  - (d) issuing lawyer collection letters to customers with significant overdue balances, and
  - (e) in the event of significant payment delays after repeatedly failed collection attempts, we may resort to legal proceedings to collect the outstanding amounts, and

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## FINANCIAL INFORMATION

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- (iii) During the Track Record Period and up to the Latest Practicable Date, we had not been the subjects of any disputes, claims or legal proceedings in connection with the payment settlement for any of these long-aging trade receivables. As of the Latest Practicable Date, there had been no material delays in the repayment schedules as agreed and updated with customers,
- (iv) As of October 31, 2025,
- RMB173.4 million, or approximately 87.5% of our gross trade receivables as of December 31, 2022, had been subsequently settled,
  - RMB318.4 million, or approximately 90.2% of our gross trade receivables as of December 31, 2023, had been subsequently settled,
  - RMB263.3 million, or approximately 48.8% of our gross trade receivables as of December 31, 2024, had been subsequently settled, and
  - RMB115.5 million, or approximately 21.2% of our gross trade receivables as of June 30, 2025, had been subsequently settled.
- (v) we have, in accordance with applicable HKFRSs, made sufficient provision for all trade receivables (including long-aging trade receivables) based on their respective ECL rates which are adopted as discussed in “— Description of Selected Consolidated Statements of Financial Position Items — Trade and Bill Receivables — Trade Receivables — Allowance for impairment of trade receivables.”

### ***Bills Receivables***

As of December 31, 2022, 2023 and 2024 and June 30, 2025, bills receivables were RMB6.2 million, RMB0.2 million, RMB1.4 million, and RMB2.9 million, respectively. During the Track Record Period, our bills receivable were all aged within one year and were neither past due nor impaired. See Note 18 of the Accountants’ Report in Appendix I to this prospectus.

## FINANCIAL INFORMATION

### Prepayments, Other Receivables and Other Assets

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our prepayments, other receivables and other assets mainly consisted of (i) prepayments which represented prepayments to suppliers mainly in relation to outsourced data related services, other outsourced fees and use of equipment fees, (ii) deposits and other receivables mainly representing (a) deposits such as contract performance security and lease deposits paid by us, and (b) other receivables in relation to a loan of RMB2.0 million granted by us to an Independent Third Party for satisfying its operating needs in connection with the development of a project of urban management solution business (the “**Loan to a Third Party**”). As of the Latest Practicable Date, the Loan to a Third Party was not repaid and an arbitration award had been rendered in our favour and asset preservation steps had been taken for the payment of the outstanding amount, (iii) deductible input value-added tax which represented VAT paid by us on purchases that are pending certification and deduction against future tax liabilities for VAT charged on our sales, (iv) pre-paid income tax, and (v) deferred listing expenses.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, prepayments, other receivables and other assets were RMB48.3 million, RMB64.7 million, RMB49.0 million, and RMB54.5 million, respectively. See Note 20 of the Accountants’ Report in Appendix I to this prospectus. The following table sets forth the breakdown of prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
<b>Current</b>				
Prepayments . . . . .	25,363	48,352	29,856	36,029
Deposits and other receivables . . . . .	7,875	7,525	7,490	7,742
Deductible input value-added tax . . . . .	12,930	9,091	12,484	11,211
Deferred listing expenses . . .	–	–	1,934	2,190
Prepaid income tax . . . . .	2,183	–	–	251
	48,351	64,968	51,764	57,423
Impairment allowance . . . . .	(115)	(551)	(3,032)	(3,535)
Sub-total . . . . .	<u>48,236</u>	<u>64,417</u>	<u>48,732</u>	<u>53,888</u>
<b>Non-current</b>				
Deposits and other receivables . . . . .	83	253	250	650
<b>Total</b> . . . . .	<u>48,319</u>	<u>64,670</u>	<u>48,982</u>	<u>54,538</u>

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## FINANCIAL INFORMATION

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For more information on the prepayments, other receivables and other assets, including the movement in the loss allowance for impairment of prepayments, other receivables and other assets, see Note 20 of the Accountants' Report in Appendix I to this prospectus.

As of October 31, 2025, RMB16.8 million, or approximately 28.9% of our gross prepayments, other receivables and other assets as of June 30, 2025 had been subsequently settled.

### **Financial Assets at Fair Value through Profit or Loss**

Financial assets measured at FVTPL represented unlisted investments at fair value being wealth management products issued by a bank in the PRC with a maturity period of a month. For the years ended December 31, 2022 and 2023 and 2024 and the six months ended June 30, 2025, we recorded investment income from financial assets measured at FVTPL of RMB0.4 million, nil, nil and nil, respectively. As of each of December 31, 2022, 2023 and 2024 and June 30, 2025, we recorded nil balances of such financial assets measured at FVTPL.

We have estimated the fair values of these investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. The fair values of the financial assets approximate to their costs plus expected interest. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. Fair value for such financial assets was measured using significant observable inputs (Level 2).

To monitor and control the investment risks associated with our wealth management products, we have established a set of internal risk management policies and guidelines. Our investment strategy related to wealth management products focuses on minimizing the financial risks by reasonably and conservatively matching the maturities of the investments to anticipated operating cash needs, while generating desirable investment returns for the benefits of our Shareholders. We primarily invest in wealth management products issued by reputable financial institution(s) in the PRC with relatively low risks for a short term of no more than one month. We make investment decisions related to wealth management products on a case-by-case basis after thoroughly considering a number of factors, including but not limited to macro-economic environment, general market conditions, risk control and credit of issuing banks, our own working capital conditions, and the expected profit or potential loss of the investment.

Any proposal for making potential investments in structured deposits and wealth management products or modification of any existing investment portfolio, will be submitted by the finance department to the chief financial officer for approval, who will take into consideration the impact and size of investment before execution of the relevant investment decisions. The finance department, led by our chief financial officer, is responsible for managing and coordinating the analysis and decisions on our investment of wealth management products, as well as the ongoing monitoring of such investments.

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## FINANCIAL INFORMATION

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### **Financial Assets at Fair Value through Other Comprehensive Income**

Financial assets measured at FVTOCI represented one time deposit that were held under the “hold to collect and sell” business model. For the years ended December 31, 2022 and 2023 and 2024 and the six months ended June 30, 2025, we recorded investment income from financial assets measured at FVTOCI of nil, nil, RMB0.5 million, and nil, respectively. As of each of December 31, 2022, 2023 and 2024 and June 30, 2025, we recorded nil balances of such financial assets measured at FVTOCI.

We have estimated the fair values of these investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. The fair value of the financial asset approximates to its cost plus expected interest. Fair value for such financial assets was measured using significant observable inputs (Level 2).

### **Cash and Cash Equivalents**

Our cash and cash equivalents, which represented cash and bank balances less pledged deposits, were RMB138.5 million, RMB84.5 million, RMB167.3 million and RMB337.8 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. The balance of cash and cash equivalents decreased from RMB138.5 million as of December 31, 2022 to RMB84.5 million as of December 31, 2023 whereby the higher balance as of December 31, 2022 was mainly attributable to the capital contribution from shareholders of RMB195.0 million in 2022 in relation to the Pre-IPO Investments. The balance of cash and cash equivalents increased from RMB84.5 million as of December 31, 2023 to RMB167.3 million as of December 31, 2024 which was mainly attributable to the capital contribution from shareholders of RMB130.0 million in 2024 in relation to the Pre-IPO Investments. We had pledged deposits for bill payable and letters of guarantee of nil, nil, RMB1.8 million and RMB2.9 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively.

### **Trade and Bill Payables**

Trade and bill payables primarily represent our obligations to pay for products or services procured from suppliers. As of December 31, 2022, 2023 and 2024 and June 30, 2025, trade payables were RMB104.1 million, RMB28.0 million, RMB49.3 million, and RMB119.9 million, respectively. Our trade payables are non-interest-bearing and we normally do not have a fixed credit term offered by suppliers. As of December 31, 2022, 2023 and 2024 and June 30, 2025, bill payables were nil, nil, RMB4.9 million, and RMB6.4 million, respectively. The maturity of the bill payables is within six months. For further details, see Note 22 of the Accountants’ Report in Appendix I to this prospectus.



## FINANCIAL INFORMATION

The following table sets forth an aging analysis of trade payables (based on the invoice date) as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
Within 3 months . . . . .	64,215	1,184	28,577	88,825
3 to 12 months . . . . .	19,492	3,655	459	10,392
Over 1 year . . . . .	20,390	23,146	20,284	20,706
<b>Total . . . . .</b>	<b>104,097</b>	<b>27,985</b>	<b>49,320</b>	<b>119,923</b>

We had relatively higher balance of trade payables of RMB104.1 million as of December 31, 2022 which was primarily due to the prolonged payment to suppliers for our procurement in connection with sales to system integrators, especially for our energy solution business. Trade payables settlement to these suppliers are likely to be affected by our receipt of payment from system integrators which may be subject to corresponding payment from end customers in the first place.

The following table sets forth the average trade payables turnover days for the periods indicated:

	Year ended December 31,			Six months
	2022	2023	2024	ended
				June 30,
Average trade payables				2025
turnover days <sup>(1)</sup> . . . . .	220	158	85	108

*Note:*

- (1) Calculated using the average of the beginning and ending balances of trade payables for the period by the cost of sales for the relevant period and multiplied by the number of days during such a period.

Average trade payables turnover days indicates the average time we take to make cash payments to suppliers. Our average trade payables turnover days decreased from 220 days for 2022 to 158 days for 2023 which was primarily due to the increase of our cost of sales in 2023 as compared to 2022 mainly resulting from an increase in procurement cost of software. Our average trade payables turnover days decreased to 158 days for 2023 and further to 85 days for 2024 which was mainly due to the aforementioned relatively high balance of trade payables as of December 31, 2022 in calculating the average trade payables turnover days for 2023. For the

## FINANCIAL INFORMATION

six months ended June 30, 2025, the average trade payables turnover days increased to 108 days from 85 days in 2024. This increase was primarily due to newer projects we entered into in connection to which we were able to negotiate extended credit terms with suppliers associated with such projects.

As of October 31, 2025, RMB21.4 million, or approximately 17.8% of our trade payables as of June 30, 2025 had been subsequently settled.

Our Directors confirmed that we did not have any material defaults in payment of trade payables during the Track Record Period and up to the Latest Practicable Date.

### Other Payables and Accruals

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our other payables and accruals mainly consisted of (i) payroll payable representing payables of salaries and benefits to employees, (ii) contract liabilities which included short-term advances received to deliver products and/or solutions to customers. The balances of contract liabilities of RMB1.8 million as of 31 December 2023 and RMB13.2 million as of December 31, 2024 were mainly in relation to advance payments by customers for Technology Services. The balances of contract liabilities were RMB3.7 million as of June 30, 2025. The significant decrease in contract liabilities as of June 30, 2025 was mainly due to the decrease in short-term advances received from customers in relation to Technology Services as of June 30, 2025, (iii) other payables mainly representing payables in relation to expenses for general administrative purposes. Other payables are unsecured, non-interest-bearing and repayable on demand, (iv) tax payable other than income tax primarily representing VAT payables that have been accrued.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, other payables and accruals were RMB9.7 million, RMB11.9 million, RMB40.0 million, and RMB13.7 million, respectively. See Note 23 of the Accountants' Report in Appendix I to this prospectus. The following table sets forth the breakdown of other payables and accruals as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	June 30,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Payroll payable . . . . .	2,080	3,549	4,862	2,942
Contract liabilities . . . . .	–	1,793	13,249	3,741
Other payables . . . . .	6,543	3,538	7,278	6,378
Taxes payable other than income tax . . . . .	1,104	3,064	14,629	635
<b>Total . . . . .</b>	<b>9,727</b>	<b>11,944</b>	<b>40,018</b>	<b>13,696</b>

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## FINANCIAL INFORMATION

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As of October 31, 2025, RMB6.7 million, or approximately 48.7% of our other payables and accruals as of June 30, 2025 had been subsequently settled.

### **Deferred Income**

As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had deferred income recorded as current liabilities of RMB0.4 million, nil, nil, and nil, respectively, which were related to the subsidies received from local government authorities to support our research and development activities with conditions to fulfil. These grants of subsidies were recognized in profit or loss when the conditions are met. See “— Description of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Line Items — Other Income and Gains.”

### **Tax Payable**

As of December 31, 2022, 2023 and 2024 and June 30, 2025, tax payable was RMB8.0 million, RMB4.9 million, RMB6.6 million, and RMB3.8 million, respectively, which represents payable of income tax. For further details, see Note 10 of the Accountants’ Report in Appendix I to this prospectus.

### **INDEBTEDNESS**

During the Track Record Period, our indebtedness mainly consisted of interest-bearing bank loans and lease liabilities. As of December 31, 2022, 2023 and 2024 and June 30 and November 25, 2025, our total balances of interest-bearing bank loans were RMB30.2 million, RMB89.5 million, RMB90.0 million, RMB180.0 million, and RMB199.0 million, respectively; as of the same dates, lease liabilities were RMB3.7 million, RMB5.5 million, RMB5.6 million, RMB4.1 million, and RMB2.9 million, respectively. For further details, see Note 14(b) and Note 24 of the Accountants’ Report in Appendix I to this prospectus.

## FINANCIAL INFORMATION

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,	As of November 25,
	2022	2023	2024	2025	2025
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
					(unaudited)
<b>Current</b>					
Interest-bearing bank loans . .	30,194	79,500	90,000	170,500	199,027
Lease liabilities . . . . .	<u>1,068</u>	<u>2,083</u>	<u>2,848</u>	<u>3,028</u>	<u>2,595</u>
	<u>31,262</u>	<u>81,583</u>	<u>92,848</u>	<u>173,528</u>	<u>201,622</u>
<b>Non-current</b>					
Interest-bearing bank loans . .	–	10,000	–	9,500	–
Lease liabilities . . . . .	<u>2,586</u>	<u>3,411</u>	<u>2,737</u>	<u>1,053</u>	<u>279</u>
	<u>2,586</u>	<u>13,411</u>	<u>2,737</u>	<u>10,553</u>	<u>279</u>
<b>Total . . . . .</b>	<b><u>33,848</u></b>	<b><u>94,994</u></b>	<b><u>95,585</u></b>	<b><u>184,081</u></b>	<b><u>201,901</u></b>

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date we did not have any material defaults in payment of our trade and non-trade payables and borrowings, and/or breaches of covenants. Except as disclosed herein, we did not have any banking facilities (utilized or not), outstanding loan capital, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant in connection therewith as of November 25, 2025, being the latest practicable date for the purpose of the indebtedness statement.

### Interest-bearing Bank Loans

We had interest-bearing bank loans of RMB30.2 million, RMB89.5 million, RMB90.0 million, RMB180.0 million and RMB199.0 million as of December 31, 2022, 2023 and 2024 and June 30 and November 25, 2025, respectively, which generally represent bank loans from financial institutions in the PRC used by us for procurement of products or services from suppliers for our business operations. As of November 25, 2025, the maximum credit line of our bank loans was RMB209.8 million with unutilized amount of RMB40.0 million. For more information on our interest-bearing bank loans, see Note 24 of the Accountants' Report in Appendix I to this prospectus. The following table sets forth the breakdown of our interest-bearing bank loans as of the dates indicated:

## FINANCIAL INFORMATION

	Effective interest rate	Maturity	As of December 31,			As of June 30,
			2022	2023	2024	2025
	(%)		RMB'000	RMB'000	RMB'000	RMB'000
<b>Current</b>						
Bank loans- secured . . . . .	2.11-4.25	Within 1 year	30,194	79,500	90,000	140,500
Bank loans- unsecured . . . . .	2.35-2.4	Within 1 year	—	—	—	30,000
Total-current . . . . .			<u>30,194</u>	<u>79,500</u>	<u>90,000</u>	<u>170,500</u>
<b>Non-current</b>						
Bank loans- secured . . . . .	2.17-3.95	2026	—	10,000	—	9,500
Total . . . . .			<u>30,194</u>	<u>89,500</u>	<u>90,000</u>	<u>180,000</u>
Analysed into:						
Bank loans						
repayable:						
Within 1 year . . . . .			30,194	79,500	90,000	170,500
In the second year . . . . .			—	—	—	9,500
In the third to fifth years . . . . .			—	10,000	—	—
<b>Total . . . . .</b>			<b><u>30,194</u></b>	<b><u>89,500</u></b>	<b><u>90,000</u></b>	<b><u>180,000</u></b>

Mr. Liao and his spouse have guaranteed the Group's secured bank loans as of December 31, 2022, 2023 and 2024 and June 30, 2025 of RMB30.2 million, RMB89.5 million, RMB90.0 million, and RMB140.0 million, respectively. We intend to release the aforementioned guarantees prior to the Listing. In the event that such guarantees cannot be released prior to the Listing pursuant to their respective terms and conditions, our Group will repay the bank loans underlying those guarantees. See "Relationship with Our Controlling Shareholders — Financial independence" and Note 24 of the Accountants' Report in Appendix I to this prospectus.

Separately, an Independent Third Party guarantee company had guaranteed our secured bank loan of RMB10.0 million as of June 30, 2025. In addition, current portion of bank loans amounted to RMB5.0 million were also secured by the pledge of a patent of the Group as of December 31, 2023. As of the Latest Practicable Date, this pledge was subsequently released as the underlying bank loans were repaid in full.

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## FINANCIAL INFORMATION

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As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that there has been no material change in our indebtedness position since November 25, 2025 and up to the date of this prospectus. Our Directors further confirm that the Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breaches of covenants during the Track Record Period and up to the Latest Practicable Date.

### **Lease Liabilities**

We recognize lease liabilities to make lease payments for the properties we lease in the PRC as offices. Such leases of properties generally have lease terms ranging from two to five years. As of December 31, 2022, 2023 and 2024 and June 30, 2025, lease liabilities were RMB3.7 million, RMB5.5 million, RMB5.6 million, and RMB4.1 million, respectively. For further details, see Note 14(b) and Note 35 of the Accountants' Report in Appendix I to this prospectus.

### **Contingent Liabilities**

As of December 31, 2022, 2023 and 2024 and June 30 and November 25, 2025, and the Latest Practicable Date, we did not have any outstanding guarantees or other material contingent liabilities. Our Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of our Group since November 25, 2025 and up to the date of this prospectus.

## **LIQUIDITY AND CAPITAL RESOURCES**

Our business operations and expansions require a significant amount of capital, including procurement of products and services for business operations, enhancing our product and solution capabilities, improving our technology capabilities, upgrading our information technology infrastructure and system as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, capital contributions from Shareholders and bank loans. Our cash and cash equivalents were RMB138.5 million, RMB84.5 million, RMB167.3 million, RMB337.8 million, and RMB167.8 million as of December 31, 2022, 2023 and 2024 and June 30 and November 25, 2025, respectively. Following the completion of the Global Offering and the Listing, we intend to continue to fund our cash requirements mainly through our cash flows from operating activities, together with any debt or equity financing that is available and suitable to us.

## FINANCIAL INFORMATION

The following table sets forth a summary of our cash flows during the Track Record Period:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Operating cash flows before movements in working capital . . . . .	90,227	130,377	157,774	66,499	72,660
Changes in working capital . . .	(157,571)	(216,682)	(106,355)	(95,252)	20,375
Income tax paid . . . . .	(13,241)	(13,617)	(11,196)	(11,294)	(8,637)
Net cash flows from/(used in) operating activities . . . . .	(80,585)	(99,922)	40,223	(40,047)	84,398
Net cash flows used in investing activities . . . . .	(2,011)	(9,278)	(76,107)	(67,185)	(533)
Net cash flows from financing activities . . . . .	213,669	55,284	118,677	123,724	86,624
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS . . . . .	131,073	(53,916)	82,793	16,492	170,489
Cash and cash equivalents at beginning of year . . . . .	<u>7,382</u>	<u>138,455</u>	<u>84,539</u>	<u>84,539</u>	<u>167,332</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR . . . . .	<u>138,455</u>	<u>84,539</u>	<u>167,332</u>	<u>101,031</u>	<u>337,821</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances . . . . .	138,455	84,539	169,135	101,273	192,211
Pledged deposits . . . . .	<u>—</u>	<u>—</u>	<u>(1,803)</u>	<u>(242)</u>	<u>(2,877)</u>
<b>Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows . . . . .</b>	<u>138,455</u>	<u>84,539</u>	<u>167,332</u>	<u>101,031</u>	<u>337,821</u>

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## FINANCIAL INFORMATION

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### Cash Flows from Operating Activities

Cash flows from operating activities represented profit before tax adjusted for (i) certain non-cash or non-operating activities related items such as impairment losses on financial and contract assets, depreciation of property, plant and equipment, depreciation of right-of-use assets and finance costs, (ii) the effect of changes in working capital, such as changes in trade and bills receivables, prepayments, other receivables and other assets, trade and bill payables and contract costs, and (iii) income tax paid.

For the six months ended June 30, 2025, we had net cash flows from operating activities of RMB84.4 million, resulting from our profit before tax of RMB44.3 million and positive movements in working capital. Our positive movements in working capital primarily reflected an increase in trade and bill payables of RMB72.1 million, partially offset mainly by a decrease in other payables and accruals of RMB26.3 million and an increase in trade and bills receivables of RMB11.5 million.

For the year ended December 31, 2024, we had net cash from operating activities of RMB40.2 million, resulting from our profit before tax of RMB126.1 million and negative movements in working capital. Our negative movements in working capital primarily reflected an increase in trade and bills receivables of RMB187.8 million mainly due to an increase in trade receivables as discussed in “— Description of Selected Consolidated Statements of Financial Position Items — Trade and Bill Receivables — Trade Receivables”, partially offset by a decrease in contract costs of RMB43.0 million whereby the higher balance as of December 31, 2023 mainly represented costs to fulfil contracts in relation to node servers procured by us for energy solution business.

For the year ended December 31, 2023, we had net cash used in operating activities of RMB99.9 million, resulting from our profit before tax of RMB96.9 million and negative movements in working capital. Our negative movements in working capital primarily reflected (i) an increase in trade and bills receivables of RMB148.7 million mainly due to an increase in trade receivables as discussed in “— Description of Selected Consolidated Statements of Financial Position Items — Trade and Bill Receivables — Trade Receivables” and (ii) a decrease in trade and bill payables of RMB76.1 million, partially offset by a decrease in contract costs of RMB27.5 million.

For the year ended December 31, 2022, we had net cash used in operating activities of RMB80.6 million, resulting from our profit before tax of RMB72.6 million and negative movements in working capital. Our negative movements in working capital primarily reflected (i) an increase in trade and bills receivables of RMB108.4 million mainly due to an increase in trade receivables which was generally due to the increase in our sales and (ii) an increase in contract costs of RMB76.6 million mainly representing costs to fulfil contracts in relation to software procured by us for integrated grid construction projects, partially offset by an increase in trade and bill payables of RMB72.6 million whereby reasons for the relatively high balance of trade payables as of December 31, 2022 was discussed in “— Description of Selected Consolidated Statements of Financial Position Items — Trade and Bill Payables”.



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## FINANCIAL INFORMATION

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### Cash Flows Used in Investing Activities

For the six months ended June 30, 2025, net cash used in investing activities amounted to RMB0.5 million, reflecting purchase of property, plant and equipment and additions to intangible assets.

For the year ended December 31, 2024, we had net cash used in investing activities of RMB76.1 million, mainly reflecting purchase of property, plant and equipment of computing power servers as discussed in “— Description of Selected Consolidated Statements of Financial Position Items — Property, plant and equipment.”

For the year ended December 31, 2023, we had net cash used in investing activities of RMB9.3 million, mainly reflecting additions to intangible assets in relation to intangible assets purchased by us in 2023 for use in our R&D activities.

For the year ended December 31, 2022, we had net cash used in investing activities of RMB2.0 million, mainly reflecting (i) purchases of financial assets at fair value through profit or loss of RMB103.7 million in relation to our purchase of certain wealth management products, (ii) purchases of items of property, plant and equipment of RMB2.5 million, and (iii) a loan to a third party of RMB2.0 million as discussed in “— Description of Selected Consolidated Statements of Financial Position Items — Prepayments, Other Receivables and Other Assets”, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB106.1 million.

### Cash Flows from Financing Activities

For the six months ended June 30, 2025, we had net cash flows from financing activities of RMB86.6 million, mainly reflecting new bank loans of RMB120.0 million, partially offset mainly by repayment of bank loans of RMB30.0 million.

For the year ended December 31, 2024, we had net cash flows from financing activities of RMB118.7 million, mainly reflecting capital contribution from shareholders of RMB130.0 million in relation to the Pre-IPO Investments, partially offset by share issue expenses of RMB3.9 million.

For the year ended December 31, 2023, we had net cash flows from financing activities of RMB55.3 million, mainly reflecting new bank loans of RMB135.0 million and partially offset by repayment of bank loans of RMB75.5 million.

For the year ended December 31, 2022, we had net cash flows from financing activities of RMB213.7 million, mainly reflecting capital contribution from shareholders of RMB195.0 million in relation to the Pre-IPO Investments and new bank loans of RMB30.0 million, partially offset by dividend paid of RMB6.0 million.

## FINANCIAL INFORMATION

### Net Current Assets

The following table sets forth our current assets, current liabilities and net current assets as of the dates indicated:

	As of December 31,			As of June 30,	As of November 25,
	2022	2023	2024	2025	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
<b>Current assets</b>					
Inventories . . . . .	2,041	4,570	4,312	3,245	6,653
Contract costs . . . . .	76,566	49,039	6,018	12,993	19,160
Trade and bills receivables . . .	182,656	303,294	475,804	477,704	460,759
Contract assets . . . . .	813	310	2,550	3,025	1,732
Prepayments, other receivables and other assets . . . . .	48,236	64,417	48,732	53,888	54,625
Pledged deposits . . . . .	—	—	1,803	2,877	29,342
Financial assets at FVTOCI . . .	—	—	—	—	20,000
Time deposits . . . . .	—	—	—	—	110,000
Cash and cash equivalents . . .	138,455	84,539	167,332	337,821	167,756
<b>Total current assets . . . . .</b>	<b><u>448,767</u></b>	<b><u>506,169</u></b>	<b><u>706,551</u></b>	<b><u>891,553</u></b>	<b><u>870,027</u></b>
<b>Current liabilities</b>					
Trade and bill payables . . . . .	104,097	27,985	54,248	126,311	108,724
Other payables and accruals . .	9,727	11,944	40,018	13,696	21,145
Interest-bearing bank loans . . .	30,194	79,500	90,000	170,500	199,027
Lease liabilities . . . . .	1,068	2,083	2,848	3,028	2,595
Deferred income . . . . .	370	—	—	—	—
Tax payable . . . . .	8,034	4,915	6,623	3,791	850
<b>Total current liabilities . . . . .</b>	<b><u>153,490</u></b>	<b><u>126,427</u></b>	<b><u>193,737</u></b>	<b><u>317,326</u></b>	<b><u>332,341</u></b>
<b>Net current assets . . . . .</b>	<b><u>295,277</u></b>	<b><u>379,742</u></b>	<b><u>512,814</u></b>	<b><u>574,227</u></b>	<b><u>537,686</u></b>

As of December 31, 2022, 2023 and 2024 and June 30 and November 25, 2025, we had net current assets of RMB295.3 million, RMB379.7 million, RMB512.8 million, RMB574.2 million, and RMB537.7 million, respectively. Our net current assets position as of each of these dates was mainly attributable to our trade and bills receivables and cash and cash equivalents, partially offset by our trade and bill payables and interest-bearing bank loans. For further information on the changes of these financial items, see “— Description of Selected Consolidated Statements of Financial Position Items.”

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## FINANCIAL INFORMATION

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### Working Capital Sufficiency

We had sufficient cash and cash equivalents as of December 31, 2022, 2023 and 2024 and June 30 and November 25, 2025 for our working capital needs. We recorded net cash used in operating activities of RMB80.6 million and RMB99.9 million in 2022 and 2023, respectively, as well as net cash flows from operating activities of RMB40.2 million in 2024 and RMB84.4 million for the six months ended June 30, 2025. The net cash flows used in operating activities in 2022 and 2023 were primarily due to (i) the relatively longer credit terms we granted to our customers during the Track Record Period (generally of up to 12 months) than our actual payment period to suppliers; and (ii) an increase in trade receivables, which, while primarily was attributable to the increase in our sales and reflecting our business expansion during the Track Record Period, was also caused by our extended period for collecting trade receivables from time to time as (i) certain of our sales are made to end customers from the public sector that feature relatively solid credit status yet a long payment cycle because of their internal financial management and payment approval processes, and (ii) we also have sales made indirectly to such end customers, such as those through system integrators, whereby our payment collection from system integrators may be dependent on payment from the end customers in the first place, or such sales are made through distributors who had encountered payment difficulties due to the delays in railway customer projects as impacted by COVID-19 in 2022. See “Risk Factors — Risks related to our Business and Industry — We recorded net operating cash outflows during the Track Record Period and may need to obtain additional financing to fund our operations which may not be obtained on favorable terms or at all.”

We recorded net cash flows from operating activities of RMB40.2 million in 2024 as compared to the net cash flows used in operating activities of RMB99.9 million in 2023. We recorded net cash flows from operating activities of RMB84.4 million for the six months ended June 30, 2025 as compared to the net cash flows used in operating activities of RMB40.0 million for the same period in 2024. For further details, see “Financial Information — Liquidity and Capital Resources — Cash Flows from Operating Activities.”

Our Directors are of the view that, taking into account the financial resources available to our Group, such as available bank loans and the estimated net proceeds of the Global Offering, our current cash and bank balances and our anticipated cash flows from operations, we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this prospectus.

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## FINANCIAL INFORMATION

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### ACCUMULATED LOSSES AND RETAINED PROFITS

We had accumulated losses prior to the beginning of the Track Record Period. At the time, we were at a relatively early stage of business development and we were in the process of building our underlying technology infrastructure to lay a solid foundation for our future development, as well as working on initially commercializing our rail transit solution business. Immediately prior to the Track Record Period, we were in the initial process of scaling up our sales of rail transit solution business by expanding our sales coverage through distributors and we only commenced our urban management solution business and energy solution business in 2021 and 2022, respectively. As our technological capabilities and business acumen matured over the years and as we expanded our business scale and deepened our presence in the market, we have been continuously monetising and benefiting from the foundation we established. By leveraging our competitive strengths as set out in the section headed “Business — Strengths”, we have expanded our business scale and achieved a significant growth in business and results of operations and managed to turn around our accumulated loss position during the Track Record Period. As of January 1, 2022, we had an accumulated loss of RMB22.1 million which was attributable to an accumulated deficit of our Company arising from share-based payments recognized in previous years in connection with certain external consultants of our Group for business development. See “History, Development and Corporate Structure — Corporate Development of our Company” for details of these external consultants and how they became our Shareholders. As of December 31, 2022, we no longer recorded any accumulated losses after accumulation of earnings. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had retained profits of RMB67.6 million, RMB151.1 million, RMB261.0 million, and RMB301.1 million, respectively.

### CAPITAL EXPENDITURES

During the Track Record Period, we incurred capital expenditures mainly for purchases of property, plant and equipment, including servers, leasehold improvements, furniture and equipment and motor vehicles, and purchase of intangible assets of data assets model materials. For more information on the uses of our capital expenditures during the Track Record Period, see “— Liquidity and Capital Resources — Cash Flows Used in Investing Activities.”

### RELATED PARTY TRANSACTIONS AND BALANCES

During the Track Record Period and up to the Latest Practicable Date, save from the guarantees provided by related parties to us for our bank loans as discussed in “— Indebtedness — Interest-bearing Bank Loans,” our Group did not have any related party transactions or outstanding balances with related parties.

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## FINANCIAL INFORMATION

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### OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we did not enter into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative agreements that are indexed to our equity interests and classified as shareholder's equity, or that are not reflected in our consolidated financial statements. We do not have any material off-balance sheet arrangements, nor do we have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

### KEY FINANCIAL RATIOS

The following table sets forth certain financial ratios relating to our Group as of the dates or for the periods indicated:

	As of/For the year ended December 31,			As of/For the six months ended June 30,
	2022	2023	2024	2025
Current ratio <sup>(1)</sup> . . . . .	2.92	4.00	3.65	2.81
Gross profit margin <sup>(2)</sup> . . . . .	55.6%	58.1%	58.9%	39.2%
Net profit margin <sup>(3)</sup> . . . . .	25.1%	24.3%	28.6%	17.4%

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*Notes:*

- (1) Current ratio is calculated by dividing total current assets by total current liabilities as of the date indicated.
- (2) Gross profit margin is calculated by dividing gross profit by total revenue for a relevant period.
- (3) Net profit margin is calculated by dividing profit for the year or period by total revenue for a relevant period.

### Current Ratio

Our current ratio was 2.92 times, 4.00 times, 3.65 times and 2.81 times as of December 31, 2022, 2023 and 2024 and June 30, 2025. See “— Liquidity and Capital Resources — Net Current Assets” for more details of changes in our current assets and current liabilities over the Track Record Period.

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## FINANCIAL INFORMATION

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### **Gross Profit Margin and Net Profit Margin**

For further details on the changes of our gross profit margins and net profit margins for the Track Record Period, see “— Description of Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Line Items — Gross Profit and Gross Profit Margin” and “— Period to Period Comparison.”

### **FINANCIAL RISKS**

Our Group’s principal financial instruments comprise bank loans and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group’s operations. Our Group has various other financial assets and liabilities such as trade receivables and trade and bill payables, which arise directly from its operations. The main risks arising from the Group’s financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarized below. For further details, see Note 35 of the Accountants’ Report in Appendix I to this prospectus.

#### **Credit Risk**

We trade mainly with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Note 35 of the Accountants’ Report discusses in further details on certain concentration of credit risk with respect to our five largest customers in each year or period of the Track Record Period, as well as the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period-end staging classification as at the end of each of the reporting period. Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in Note 18 of the Accountants’ Report in Appendix I to this prospectus.

#### **Liquidity Risk**

Our Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., trade receivables and other financial assets) and projected cash flows from operations.

Our Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and lease liabilities.

Further details on the maturity profile of the Group’s and the Company’s financial liabilities as at the end of each of the reporting periods based on the contractual undiscounted payments are further discussed in Note 35 of the Accountants’ Report.

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## FINANCIAL INFORMATION

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### Capital Management

The primary objectives of our Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

Our Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Our Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period.

### DIVIDENDS

We declared dividends of RMB6.0 million in 2022 which was subsequently paid out as of December 31, 2022. Other than that, no dividend was declared or paid by our Company during the Track Record Period and up to the Latest Practicable Date. Our dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future.

After completion of the Global Offering, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

According to the PRC Company Law, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. Such company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above.

As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that our Company or any of our PRC subsidiaries make will have to be first applied to make up for any historically accumulated losses, after which we will be obliged to allocate 10% of net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses (if any) have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

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## FINANCIAL INFORMATION

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There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the Global Offering.

### **DISTRIBUTABLE RESERVES**

As of June 30, 2025, we had distributable reserves, comprising retained profits of our Group, of RMB301.1 million.

### **LISTING EXPENSES**

See “Summary — Listing Expenses” for details of our listing expenses.

### **RECENT DEVELOPMENTS**

See “Summary — Recent Developments and No Material Adverse Change” for further details.

### **UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS**

See Part A of Appendix II to this prospectus for the unaudited pro forma statement of adjusted net tangible assets of our Group, which is set out therein to illustrate the effect of the Global Offering on the net tangible assets of our Group attributable to owners of the parent as of June 30, 2025 as if the Global Offering had taken place on June 30, 2025 and assuming the Over-allotment Option is not exercised.

### **NO MATERIAL ADVERSE CHANGE**

Our Directors have confirmed that, since June 30, 2025 and up to the date of this prospectus, (i) our business continued to grow and there has been no material adverse change in our financial or trading position or prospects and no event has occurred that would materially and adversely affect the information shown in our consolidated financial statements set out in the Accountants’ Report included in Appendix I to this prospectus; and (ii) there has been no material adverse change in our business, the industries in which we operate and/or market or regulatory environment to which we are subject.

### **NO ADDITIONAL DISCLOSURE REQUIRED UNDER THE LISTING RULES**

Our Directors have confirmed that, as of the Latest Practicable Date, save from the guarantees provided by related parties to us for our bank loans as discussed in “— Indebtedness — Interest-bearing Bank Loans,” there were no circumstances which would have given rise to any disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules had the H Shares been listed on the Stock Exchange on that date.



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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

See “Business — Strategies” for a detailed description of our future plans.

### USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK\$93.0 per Offer Share (being the mid-point of the Offer Price range), will be approximately HK\$306.7 million, after deduction of underwriting fees and commissions and estimated expenses paid and payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

In line with our strategies, we intend to use the net proceeds of the Global Offering for the following purposes for the next three years assuming the Offer Price is fixed at HK\$93.0 per Offer Share (being the mid-point of the indicative Offer Price range):

1. **Continued Research on Core Technologies:** approximately 40.0%, or HK\$122.7 million, will be used to conduct and enhance the continued research on our core technologies for cementing the foundation of our technology capabilities and functions of product and service offerings, out of which:
  - (1) ***Industry Model Iteration:*** Approximately 17.7%, or HK\$54.3 million, will be used for the iteration of our AI industry models, including transportation, energy, and urban management industry models. In this connection:
    - (i) **R&D staff recruitment:** Approximately 10.9%, or HK\$33.4 million, of the net proceeds will be allocated to the hiring of additional R&D staff to support the development and iteration of our major AI industry models. These R&D staff will be focusing on the continuous improvement of our models in key industry verticals through (a) development and testing of new models and sub-models for the development of products in new application scenarios. More specifically, these may include rail transit products adopting the track maintenance AI industry model in addition to our traditional rail transit products adopting power supply AI industry model. For our electricity business, these may include AI industry models covering applications for power generation, power substation and power consumption in addition to our existing AI model on power transmission and distribution. For chemical engineering business, these may include AI industry models covering oil extraction, refining, transportation and sales, (b) optimizing model parameters based on real-time operational data and customer feedback, (c) utilization of data analysis tools, and (d) prototype development and scenario adaptation for such purposes. We believe the recruitment of these R&D staff would help us to (A) accelerate our cross-industry model migration efforts, such as achieving parameter sharing between rail transit AI models and energy power grid

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## FUTURE PLANS AND USE OF PROCEEDS

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models through continuous iteration, and (B) enhance dynamic adaptation to business scenarios, such as to quickly adjust model output parameters in response to changes in industry policies. The net proceeds are expected to cover competitive salaries, benefits, and research allowances to attract top talent in this area. Based on our best available estimate as of the Latest Practicable Date, we expect to have a yearly addition of around 20 R&D staff dedicated to the development and iteration of relevant AI industry models totaling 60 of such R&D staff for the next three years. Such R&D staff are expected to have bachelor's degrees or above majoring in computer science and related fields and preferably with relevant work experience of more than three years.

- (ii) Iteration related expenses: Approximately 6.8%, or HK\$20.9 million, of the net proceeds will be applied to pay for other expenses in connection with our industry model iteration, which mainly include data-related service fees for data collection, cleansing, rendering and annotation. Such data related ancillary services are expected to support our further development of major AI industry models covering various industry verticals of rail transit, airport, energy and urban management.
- (2) ***Core Technology Iteration***: Approximately 13.6%, or HK\$41.7 million, will be applied for the recruitment of high-end R&D staff dedicated to the advancement and iteration of core technologies underlying the NBK-INTARI AI Platform, paving the way to expansion into new technological directions. Specifically, they will be responsible for (a) updates of the NBK-INTARI Platform with respect to optimization of core algorithms for the algorithm library, optimization of real-time data cleaning capabilities for the big data platform, and development of a federated learning module for the deep learning platform, (b) enhancement of our AI training capabilities not only at the back-end but to allow AI model adjustment on edge devices in low computing-power environments. This would help us shorten the training cycle of different AI models for various industry verticals and to adapt to the high-frequency iteration needs of various industrial application scenarios, (c) R&D of emerging technologies such as developing cross-modal algorithms and multi-modal data fusion. Currently, our algorithms are more focused on the vision mode and will be developed to enhance the integration of vision, simulation and hardware modes. In the meantime, we will also be utilizing more multi-source data covering not only visual data, but also sensor data and time-series signal data. We believe the recruitment of these R&D staff would help us to (A) maintain the competitive edges of our NBK-INTARI AI Platform through fundamental technological advancements, and (B) enable us to better expand to newer business, such as to support the extension to airport docking with cutting-edge tools. The net proceeds allocated are expected to cover competitive salaries, benefits, and research allowances to attract top talent in this area. Based on our best available estimate as of the Latest Practicable

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## FUTURE PLANS AND USE OF PROCEEDS

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Date, we expect to have a yearly addition of around 20 R&D staff focusing on the development of our core AI technologies totaling 60 of such R&D staff for the next three years. Such R&D staff are expected to have master's degrees or above majoring in computer science, image processing, AI and related fields and preferably with relevant work experience of more than five years.

- (3) ***Hardware Iteration:*** Approximately 5.7%, or HK\$17.5 million, will be used for the development and iteration of hardware and equipment. Such net proceeds will be mainly allocated for the recruitment of R&D staff focusing on such development and iteration endeavors. Specifically, they will be responsible for (a) R&D of front-end devices, (b) integration of sensor and data acquisition module, (c) enhancement of edge computing capabilities and (d) design of low-power hardware. We believe the recruitment of these R&D staff would help us to (A) enhance our end-to-end efficiency from field data capture to backend analytics, and (B) boost our capabilities for industry-specific customization and to address domain-specific needs for the development of newer products such as rail transit products focusing on track inspection and tunnel inspection, robots for the inspection of boiler water-wall in power plants, inspection robots for power substations and other edge inspection devices. Based on our best available estimate as of the Latest Practicable Date, we expect to have a yearly addition of around ten R&D staff focusing on hardware iteration totaling 30 of such R&D staff for the next three years. Such R&D staff are expected to have bachelor's degrees or above majoring in electronic automation, image processing and related fields and preferably with relevant work experience of more than three years. Compared to the other R&D staff we plan to recruit, these R&D staff will be focused on the development of hardware in support of our solutions whereas the R&D staff to be recruited for industry model iteration will focus more on the application of industry-specific knowhow in the modeling work and R&D staff to be recruited for core technology will be working more on the core technology development of software. The allocated net proceeds are also expected to cover any expenses incurred for the upgrade of hardware equipment and supporting software systems.
- (4) ***Testing Environments Construction:*** Approximately 3.0%, or HK\$9.2 million, will be dedicated to the preparation and setting up of testing environments (such as robotics labs, server rooms, and simulation software) for the long-term testing and simulation of various business application scenarios for inspection robots, rail transit infrastructure, and airport aprons.

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## FUTURE PLANS AND USE OF PROCEEDS

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2. **R&D Facilities and Headquarters Construction:** approximately 40.0%, or HK\$122.7 million, will be used to establish and build our R&D technology center and new headquarters, out of which:

- (1) **Technology Center:** Approximately 23.5%, or HK\$72.1 million, will be used for the establishment of our state-of-the-art R&D technology center (the “Technology Center”). In this connection:

- (i) Hardware related Use: Approximately 21.3%, or HK\$65.3 million, of the net proceeds will be allocated to the purchase of hardware equipment needed for the establishment and development of the Technology Center, including key hardware equipment. The following table sets forth the type of hardware and estimated unit cost in further details.

	Hardware	Estimated unit cost
1 . . .	Customized computing power server	RMB2.0 million/unit
2 . . .	Storage server	RMB0.2 million/unit
3 . . .	Core switch	RMB0.2 million/unit

- (ii) Software related Use: Approximately 2.2%, or HK\$6.7 million, of the net proceeds will be allocated for the investment in necessary software licenses, operating systems, databases, virtualization software, firewalls and monitoring tools to support our R&D activities in connection with the Technology Center, as well as costs of annual maintenance and software updates.

- (2) **Headquarters Base:** Approximately 16.5%, or HK\$50.6 million, will be used for the purchase and construction of our new headquarters base in Chengdu, Sichuan province. This will serve as a central hub for our operations and innovation activities. The technology centre is expected to be built on the same property as the new headquarters. For further development of our business scope, customer base and product portfolio, we are in need of extra spaces in our working environment for testing and simulation purposes (such as simulation facilities of railways, power towers and distributed stations scenarios). And we are struggling with meeting such needs with our current offices and working venues on leasing arrangements. Therefore, we need the new headquarters with the extended spaces to not only house our employees for office work but also to accommodate our testing and simulation activities. In doing so, we need to invest substantial amount of resources to renovate and reconfigure the existing building and infrastructure to construct the testing and simulation environment suited for our business needs, we therefore consider it more convenient and cost-efficient to purchase such a property instead of leasing it from third parties. In this connection, we intend to use such net

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## FUTURE PLANS AND USE OF PROCEEDS

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proceeds, together with our internal funding, for property acquisition, construction and renovation of property, or purchase of fixed assets, or a combination of any of them. Of the net proceeds for such purposes:

- (i) approximately 12.8%, or HK\$39.2 million, will be used for property acquisition. The basis for estimating the relevant amount needed to purchase the property includes the general market price per sq.m. of comparable properties that may suit our purposes in terms of location, function and adaptability for reconfiguration and renovation, the GFA of such properties and associated fees and taxes for the purchase of such properties, together with the portion of such expense which will be covered by our internal funds.
- (ii) approximately 1.85%, or HK\$5.7 million, will be used for construction and renovation, and
- (iii) approximately 1.85%, or HK\$5.7 million, will be used for purchase of fixed assets.

As of the Latest Practicable Date, we had not identified any potential property for our new headquarters.

3. **Potential Investment and Acquisition Opportunities:** approximately 10.0%, or HK\$30.7 million, will be used to pursue potential strategic investments and acquisition opportunities so as to implement our long-term growth strategy to optimize our products and solutions and expand and/or penetrate the end-customer industries that we cover. Specifically, we plan to select businesses (i) with technologies that are complementary to our products and solutions in terms of improving our cutting-edge AI technologies and allowing us to comprehensively optimize our industrial application and deployment efficacy and the completeness of our product and solution offerings; and (ii) with proven market position, extensive know-how and stably maintained and healthy financial track record in the end-customer industries where we have already established strong presence and intend to further increase the penetration, and the end-customer industries or industry segments that we may expand into in the future. Such potential target companies may include (i) equipment providers in the PRC in the chemical engineering and civil aviation fields, and (ii) manufacturers in the PRC of intelligent transportation hardware equipment, urban smart devices and intelligent product hardware, especially utilizing the Technology of Computing. Our potential investment or acquisition targets primarily include small to mid-sized companies in China preferably with yearly turnover of no less than RMB50.0 million and a profit-generating financial status as of the latest financial period. We intend to make such investments and acquisitions mainly through equity (majority or minority interests) and may consider other forms of investment such as debt or that with convertible features if such are better suited for the need of the transaction,

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## FUTURE PLANS AND USE OF PROCEEDS

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evaluated on a case-by-case basis. As advised by CIC, our industry consultant, it is practical for AI companies to achieve synergies in terms of expanding industry verticals through strategic alliances, investments and acquisitions. According to CIC, there are sufficient numbers of such industry players in the market that meet our criteria as potential target companies. In particular, there were as of the Latest Practicable Date more than 1,000 players in China's civil aviation equipment sector with stable operations and established customer base, covering sub-sectors such as structural components and avionics. Furthermore, according to CIC, the number of enterprises engaged in the manufacturing of intelligent equipment and intelligent measurement and control equipment in China had reached nearly 200,000 as of December 31, 2024. Consequently, our Directors are of the view that our selection criteria are in line with the industry practice and there are sufficient number of suitable target companies available in the market of our aforementioned expansion plan. As of the Latest Practicable Date, we did not identify any investment and acquisition target in this regard nor formed any concrete time frame of acquisition with respect thereto.

4. **General Corporate Purposes:** approximately 10.0%, or HK\$30.7 million, will be used for working capital and general corporate purposes. We expect to have increasing needs of working capital as a result of the expansion of our business.

We believe that our expansion plans and contemplated use of proceeds are commensurate with our historical development, future business strategies and industry trends.

In the event that the Offer Price is set at the high-end or low-end of the proposed Offer Price range and the Over-allotment Option is not exercised, the net proceeds to be received by us will be increased or decreased by approximately HK\$28.5 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 estimated Offer Price range or that the Over-allotment Option is exercised.

To the extent that the net proceeds of the Global Offering are not immediately applied to the above purposes, we will only place such proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).

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## UNDERWRITING

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### HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited  
Livermore Holdings Limited  
Patrons Securities Limited

### UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Placing is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 378,700 Hong Kong Offer Shares and the International Placing of initially 3,407,900 International Placing Shares, subject to, in each case, reallocation on the basis as described in the section headed “Structure of the Global Offering”.

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### Hong Kong Public Offering

##### *Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be offered pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Over-Allotment Option) on the Main Board of the Hong Kong Stock Exchange and such approval not subsequently having been revoked prior to the commencement of trading of the H Shares on the Hong Kong Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.



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## UNDERWRITING

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### *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:

- (a) there develops, occurs, exists or comes into force:
  - (i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore, or other jurisdictions relevant to the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or
  - (ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or
  - (iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national,



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## UNDERWRITING

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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

- (iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or 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
- (v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (vi) other than with the prior written consent of the Sole Overall Coordinator, the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (vii) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against a member of the Group or a director, supervisor or a senior management member of any Group Company or announcing an intention to take any such action; or
- (viii) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any member of the Group or any of the Controlling Shareholders or by or on any Relevant Jurisdiction; or
- (ix) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (x) any non-compliance of this prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

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## UNDERWRITING

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- (xi) 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 member of the Controlling Shareholders or any Director, Supervisor or senior management members as named in this prospectus; or
- (xii) any contravention by any member of the Group or any Director or Supervisor or any member of the senior management of the Company of the Listing Rules or applicable laws; or
- (xiii) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors”,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters):

- (1) 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 the Company or the Group as a whole;
- (2) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or
- (3) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by in the Offering Documents (as defined in the Hong Kong Underwriting Agreement); or
- (4) 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

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## UNDERWRITING

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- (b) there has come to the notice of the Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) that:
- (i) any statement contained in any of Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by, for or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the “**Global Offering Documents**”) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or
  - (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission or misstatement in any Global Offering Document; or
  - (iii) any 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 the Company or the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
  - (iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties pursuant to the indemnities in the Hong Kong Underwriting Agreement; or
  - (v) any breach of any of the obligations or undertakings imposed upon the Company or any member of the Controlling Shareholders to the Hong Kong Underwriting Agreement, the International Underwriting Agreement; or
  - (vi) there is any change or development involving a prospective change, constituting or having a material adverse effect; or
  - (vii) that the chairman of the Board, any Director, any Supervisor or any member of senior management of the Company named in this prospectus seeks to retire, or is removed from office or vacating his/her office; or
  - (viii) any Director, Supervisor or any member of senior management of the 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

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## UNDERWRITING

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- (ix) the 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
- (x) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (xi) any person 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
- (xii) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (xiii) any person has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents or to the issue of any of the Offering Documents; or
- (xiv) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the 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 the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (xv) (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 Overall Coordinator, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws; or
- (xvi) that a material portion of the orders placed or confirmed in the bookbuilding process have been withdrawn, terminated or canceled, as a result of the payment of the relevant investment amount not being received or settled in the

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## UNDERWRITING

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stipulated time and manner or otherwise, then, in each case, the Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

### *Undertakings given to the Hong Kong 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 it will not issue any further Shares, or securities convertible into equity securities of our Company (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering and the Over-Allotment Option or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

#### (B) Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has irrevocably and unconditionally undertaken to us and to the Stock Exchange that he, she or it shall not and shall procure that the relevant registered holder(s) controlled by he, she or it shall not, either directly or indirectly:

- (a) in the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our securities that it is shown to beneficially own in this prospectus (the “**Relevant Shares**”); or
- (b) in the period of a further six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Relevant Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he, she or it will cease to be a controlling shareholder (as defined in the Listing Rules) of our Company or a member of a group of the Controlling Shareholders of our Company or would together with the other Controlling Shareholders cease to be controlling shareholders (as defined in the Listing Rules).

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## UNDERWRITING

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Each of our Controlling Shareholders has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its/his/her shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/she/it will and will procure that the relevant registered holder(s) will:

- (a) when he, she or it pledges or charges any securities in our Company beneficially owned by it/him/her in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and
- (b) when he, she or it receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of our Controlling Shareholders and subject to the then requirements of the Listing Rules disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

### *Undertakings pursuant to the Hong Kong Underwriting Agreement*

- (A) Undertakings by our Company and the Controlling Shareholders in respect of our Company

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to each of the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time after the date of this 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 Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or any other securities of the Company or any interest in any of the foregoing

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## UNDERWRITING

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(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 the Company, as applicable), or deposit any share capital or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the H Shares or any other securities of the 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 H Shares); or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or
- (d) offer to or agree to do any of the foregoing specified in (a), (b) or (c) above or announce any intention to do so,

in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of share capital or such other equity securities of our Company, or in cash or otherwise (whether or not the issue of such share capital or other equity securities will be completed within the First Six Month Period). Our Company further agreed that, in the event our Company is allowed to enter into any of the transactions described in (a), (b) or (c) 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**”), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any H Shares or other securities of the Company.

Our Company and the Controlling Shareholders have agreed and undertaken to each of the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that it will not, and each of the Controlling Shareholders has further undertaken to procure that our Company will not, effect any purchase of H Shares, or agree to do so, which may reduce the holdings of H Shares held by the public (as defined in Rule 8.24 of the Listing Rules) to below the minimum public float requirements specified in the Listing Rules or any waiver granted and not revoked by the Stock Exchange (the “**Minimum Public Float Requirement**”) prior to the expiration of the Second Six Month Period without first having obtained the prior written consent of the Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) or (ii) enter into any agreement, arrangement or transaction which shall cause or have the effect of causing the portion of the Shares that are held by the public and that are available for trading and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable Laws or otherwise) on the Listing Date to fall below the minimum free float requirement under Rule 19A.13C of the Listing Rules.



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## UNDERWRITING

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(B) Undertakings by the Controlling Shareholders in respect of themselves

Each of the Controlling Shareholders has undertaken to each of our Company, the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters that, without the prior written consent of the Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, it/he/she will not and will procure that none of its affiliates, relevant registered holder(s), any nominee or trustee holding on trust for him/her and companies controlled by him/her will not, at any time during the First Six Month Period:

- (a) it/he/she will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him/her and the companies controlled by it/him/her will not, at any time during the First Six Month Period, (i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) 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 the 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 the Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of the 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 (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of the Company or in cash or otherwise, and whether or not the transactions will be completed within the First Six Month Period; and
- (b) it/he/she will not, during the Second Six Month Period, enter into any of the transactions specified in (a)(i), (a)(ii) or (a)(iii) above or offer to or agree to contract to or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or Encumbrance pursuant to such transaction, it will cease to be a Controlling Shareholder of the Company or a member of a group of the



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## UNDERWRITING

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Controlling Shareholders of the Company or would together with the other Controlling Shareholders cease to be “controlling shareholders” (as the term is defined in the Listing Rules) of the Company; and

- (c) until the expiry of the Second Six Month Period, in the event that it enters into any of the transactions specified in (a)(i), (a)(ii) or (a) (iii) or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, it/he/she will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of the Company.

The restrictions in (a) to (c) above shall not prevent the Controlling Shareholders from (i) purchasing additional Shares or other securities of the Company and disposing of such additional Shares or securities of the Company in accordance with the Listing Rules, provided that any such purchase or disposal does not contravene the lock-up arrangements with the Controlling Shareholders referred to in (a) to (c) above or the compliance by the Company with the Minimum Public Float Requirement, and (ii) using the Shares or other securities of the 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 member of the Controlling Shareholders will immediately inform the Company and the Overall Coordinator in writing of such pledge or charge together with the number of Shares or other securities of the Company so pledged or charged if and when it/he/she or the relevant registered holder(s) pledges or charges any Shares or other securities of the Company beneficially owned by it/him/her, and (b) when the relevant member of the Controlling Shareholders 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 the Company will be disposed of, it/he/she will immediately inform the Company and the Sole Overall Coordinator of such indications.

Our Company has undertaken to the Sole Sponsor, the Sole Overall Coordinator and the Hong Kong Underwriters that upon receiving such information in writing from any of the Controlling Shareholders, he, she or it will, as soon as practicable and if required pursuant to the Listing Rules, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement.

### *Hong Kong Underwriters' Interests in our Company*

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

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## UNDERWRITING

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Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

### **Hong Kong Underwriters' interests in our Company**

Save for their respective obligations under the Hong Kong Underwriting Agreement and as disclosed in this prospectus, as of the Latest Practicable Date, none of the Hong Kong Underwriters is interested directly or indirectly in any Shares or securities in our Company or any other member of the Group or has any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any Shares or securities in our Company or any other member of the Group.

Following completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

### **Indemnity**

Each of our Company and the Controlling Shareholders has agreed to indemnify each of the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including any breach by them, respectively, of the Hong Kong Underwriting Agreement or certain provisions thereof.

### **International Offering**

#### ***International Underwriting Agreement***

In connection with the International Offering, our Company and the Controlling Shareholders expect to enter into the International Underwriting Agreement with the International Underwriters on or around December 19, 2025. Under the International Underwriting Agreement and subject to the Over-Allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into or is terminated, the Global Offering will not proceed. See the section headed “Structure of the Global Offering — The International Offering” in this Prospectus.

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## UNDERWRITING

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### *Over-allotment Option*

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Overall Coordinator (for itself and on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until Saturday, January 17, 2026, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which our Company may be required to issue up to an aggregate of 567,950 additional Offer Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations (if any) in the International Offering. See the section headed “Structure of the Global Offering — Over-allotment Option” in this Prospectus.

### **Underwriting Commissions and Expenses**

The Underwriters will receive an underwriting commission of 3.5% of the gross proceeds to be raised from the Global Offering (including proceeds from any Offer Shares to be issued pursuant to the exercise of the Over-Allotment Option) (the “**Fixed Fees**”). The Underwriters may receive a discretionary incentive fee of up to 1.5% of the gross proceeds to be raised from the Global Offering (including proceeds from any Offer Shares to be issued pursuant to the exercise of the Over-Allotment Option) (the “**Discretionary Fees**”) to be determined at the discretion of the Company. Assuming the Discretionary Fees are paid in full, the ratio of Fixed Fees and Discretionary Fees paid or payable is therefore 70:30. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

The aggregate commissions and fees, together with the listing fees, SFC transaction levy, the Stock Exchange trading fee, AFRC transaction levy, legal and other professional fees, printing and other expenses payable by us relating to the Global Offering are estimated to amount to approximately HK\$45.5 million in total (based on the Offer Price of HK\$93.0 per Offer Share).

### **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.

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## UNDERWRITING

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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 of 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 the Group's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering" in this Prospectus. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

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## UNDERWRITING

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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 (other than the Stabilization Manager or its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (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 each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

### **SOLE SPONSOR'S INDEPENDENCE**

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

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## STRUCTURE OF THE GLOBAL OFFERING

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### 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 378,700 H Shares (reallocation as mentioned below) in Hong Kong as described in the paragraph headed “— The Hong Kong Public Offering” below; and
- (b) the International Offering of initially 3,407,900 H Shares (subject to reallocation and the Over-allotment Option as mentioned below) to be offered only outside the United States (including to professional and institutional investors in Hong Kong) in offshore transactions in reliance on Regulation S, as described in the paragraph headed “— The International Offering” below.

Investors may apply for Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 10.0% of the enlarged registered share capital of our Company immediately after completion of the Global Offering without taking into account the exercise of the Over-allotment Option, if any. If the Over-Allotment Option is exercised in full, the Offer Shares (including H Shares issued pursuant to the full exercise of the Over-Allotment Option) will represent approximately 11.3% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-allotment Option.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, respectively, may be subject to reallocation as described in the paragraph headed “— The Hong Kong Public Offering — Reallocation.”

### THE HONG KONG PUBLIC OFFERING

#### Number of Offer Shares Initially Offered

Our Company is initially offering 378,700 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.0% of the total number of Offer Shares initially available under the Global Offering.

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## STRUCTURE OF THE GLOBAL OFFERING

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The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering and assuming that the Over-allotment Option is not exercised, will represent approximately 1.0% of the total Shares in issue 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, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the paragraph headed “— Conditions of the Global Offering” below.

### **Allocation**

The allocation of 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 could 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 Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools: pool A and pool B (with any odd board lots being allocated to 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, AFRC transaction levy and the Stock Exchange trading fee payable) or less. 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, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the “price” for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under

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## STRUCTURE OF THE GLOBAL OFFERING

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the Hong Kong Public Offering and any application for more than 189,350 Hong Kong Offer Shares (being 50% of the Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

### **Reallocation**

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sole Global Coordinator. Subject to the allocation cap described in the subsequent paragraph, the Sole Overall Coordinator may in its discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Sole Overall Coordinator will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as it deems appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sole Overall Coordinator deems appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 189,250 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 567,950 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) and the final Offer Price shall be fixed at the bottom end of the indicative price range (i.e. HK\$80.0 per Offer Share) in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.



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## STRUCTURE OF THE GLOBAL OFFERING

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### Applications

Each applicant under the Hong Kong Public Offering will 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 for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are 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 Offer Price of HK\$106.0 per Offer Share in addition to the brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$5,353.45 for one board lot of 50 H Shares. If the Offer Price, as finally determined in the manner described in “— Pricing and Allocation” below, is less than the maximum Offer Price of HK\$106.0 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. Further details are set out in the section headed “How to Apply for Hong Kong Offer Shares”.

### THE INTERNATIONAL OFFERING

#### Number of Offer Shares Initially Offered

The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will consist of an initial offering of 3,407,900 Offer Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and Over-allotment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 9.0% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

#### Allocation

The International Offering will involve selective marketing of the Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for our International Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in the paragraph headed “— Pricing

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## STRUCTURE OF THE GLOBAL OFFERING

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and Allocation” below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares and/or hold or sell its Offer Shares after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Group and our Shareholders as a whole.

The Sole Overall Coordinator (for itself on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sole Overall Coordinator so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

### **Reallocation**

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering and/or any Offer Shares from the International Offering to the Hong Kong Public Offering at the discretion of the Overall Coordinators.

### **OVER-ALLOTMENT OPTION**

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sole Overall Coordinator (for itself and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Sole Overall Coordinator (for itself and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require our Company to issue up to an aggregate of 567,950 additional Offer Shares, representing not more than 15% of the total number of Offer Shares under the Global Offering, at the Offer Price under the International Offering to cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 1.5% of the total Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

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## STRUCTURE OF THE GLOBAL OFFERING

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### STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of our H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days from the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimising any reduction in the market price of our H Shares, (b) selling or agreeing to sell our H Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of our H Shares, (c) purchasing, or agreeing to purchase, our H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of our H Shares for the sole purpose of preventing or minimising any reduction in the market price of our H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in our Offer Shares should note that:

- (a) the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in our H Shares;
- (b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;
- (c) liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of our H Shares;

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## STRUCTURE OF THE GLOBAL OFFERING

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- (d) no stabilizing action can be taken to support the price of our H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for our H Shares, and therefore the price of the H Shares, could fall;
- (e) the price of our H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- (f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager may arrange cover of up to an aggregate of 567,950 Offer Shares, representing up to 15% of the total number of our Offer Shares under the Global Offering, through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed to by an investor) relate only to the delay in the delivery of our Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be fully paid prior to Listing, accordingly there will be no delayed settlement of payment of our Offer Shares. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of Offer Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

### PRICING AND ALLOCATION

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 Friday, December 19, 2025 and, in any event, no later than 12:00 noon on Friday, December 19, 2025 by agreement between the Sole Overall Coordinator (for itself and on behalf of the Underwriters) and our Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

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## STRUCTURE OF THE GLOBAL OFFERING

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The Offer Price will not be more than HK\$106.0 per Offer Share and is expected to be not less than HK\$80.0 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK\$106.0 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$5,353.45 for one board lot of 50 H Shares. **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 minimum Offer Price stated in this prospectus.**

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Sole Overall Coordinator (for itself and on behalf of the Underwriters) may, where it deems appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of our Company, reduce the number of Offer Shares offered and/or the Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company at [www.nuobikan.com](http://www.nuobikan.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk), respectively, an announcement, cancel the Global Offering and relaunch the Global Offering at the revised number of Offer Shares and/or the revised Offer Price range and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental prospectus or a new prospectus (as appropriate)). Upon issue of such announcement or supplemental prospectus (as appropriate), the number of Offer Shares offered in the Global Offering and/or the revised Offer Price range will be final and conclusive, and the Offer Price, if agreed upon by the Sole Overall Coordinator (for itself and on behalf of the Underwriters) and the Company, will be fixed within such revised Offer Price range. The Global Offering must first be cancelled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

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## STRUCTURE OF THE GLOBAL OFFERING

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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 range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the Global Offering statistics as currently set out in this Prospectus, and any other financial information which may change as a result of such reduction. In the absence of any such announcement so published, the number of Offer Shares will not be reduced and/or the Offer Price, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

In the event of a reduction in the number of Offer Shares, the Sole Overall Coordinator (for itself and on behalf of the Underwriters) may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering, provided that the Hong Kong Offer Shares shall not be less than 10% of the total number of Offer Shares in 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 Sole Overall Coordinator (for itself and on behalf of the Underwriters).

### ANNOUNCEMENT OF FINAL OFFER PRICE

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be announced on Monday, December 22, 2025 on the website of our Company at [www.nuobikan.com](http://www.nuobikan.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

### UNDERWRITING

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 conditional upon the International Underwriting Agreement being signed and becoming unconditional. Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around Friday, December 19, 2025.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed “Underwriting” of this prospectus.

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## STRUCTURE OF THE GLOBAL OFFERING

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### CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be offered pursuant to the Global Offering (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option), on the Main Board of the Stock Exchange, and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;
- (b) the Offer Price having been agreed between the Sole Overall Coordinator (for itself and on behalf of the Underwriters) and our Company;
- (c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and
- (d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement 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 the Sole Overall Coordinator (for itself and on behalf of the Underwriters) and our Company on or before 12:00 noon on Friday, December 19, 2025 the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times 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 websites of our Company at [www.nuobikan.com](http://www.nuobikan.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk), respectively, on the next day following such lapse. In such a situation, all application monies will be returned (subject to application channels), without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies.”



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## STRUCTURE OF THE GLOBAL OFFERING

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H Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Tuesday, December 23, 2025 provided that the Global Offering has become unconditional in all respects at or before that time and the right of termination as described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement — Grounds for Termination” in this prospectus has not been exercised.

### ADMISSION OF THE H SHARES INTO CCASS

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and the Company complies 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 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.

### DEALINGS ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, December 23, 2025, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, December 23, 2025.

The H Shares will be traded in board lots of 50 H Shares each and the stock code of our Shares will be 2635.



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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### 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 Offer and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) under the “HKEXnews > New Listings > New Listing Information” section, and our website at [www.nuobikan.com](http://www.nuobikan.com).

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

#### A. APPLICATION FOR HONG KONG OFFER SHARES

##### 1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address (*for the **HK eIPO White Form** service only*); and
- are outside the United States (within the meaning of Regulation S), and are a person described in paragraph (h)(3) of Rule 902 of Regulation S.

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 close associates; or
- are a Director or any of his/her close associates.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### 2. Application Channels

**The Hong Kong Public Offer period will begin at 9:00 a.m. on Monday, December 15, 2025 and end at 12:00 noon on Thursday, December 18, 2025 (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 . . . . .	<a href="http://www.hkeipo.hk">www.hkeipo.hk</a>	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 Monday, December 15, 2025 to 11:30 a.m. on Thursday, December 18, 2025, Hong Kong time.  The latest time for completing full payment of application monies will be 12:00 noon on Thursday, December 18, 2025, Hong Kong time.
HKSCC EIPO channel . . . . .	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction.	Investors who would <u>not</u> 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.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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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 Provider 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 authorised 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 authorised 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 authorised 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 Offer.

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.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### 3. Information Required to Apply

You must provide the following information with your application:

For Individual Applicants	For Corporate Applicants
<ul style="list-style-type: none"><li>• Full name(s)<sup>2</sup> as shown on your identity document</li><li>• Identity document's issuing country or jurisdiction</li><li>• Identity document type, with order of priority:<ul style="list-style-type: none"><li>i. HKID card; or</li><li>ii. National identification document; or</li><li>iii. Passport; and</li></ul></li><li>• Identity document number</li></ul>	<ul style="list-style-type: none"><li>• Full name(s)<sup>2</sup> as shown on your identity document</li><li>• Identity document's issuing country or jurisdiction</li><li>• Identity document type, with order of priority:<ul style="list-style-type: none"><li>i. LEI registration document; or</li><li>ii. Certificate of incorporation; or</li><li>iii. Business registration certificate; or</li><li>iv. Other equivalent document; and</li></ul></li><li>• Identity document number</li></ul>

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*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.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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4. The maximum number of joint account holders on FINI is capped at 4<sup>1</sup> in accordance with market practise.
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 registered 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 Sole Overall Coordinator, 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 . . . . . : 50

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\$106.0 per Offer Share.

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<sup>1</sup> Subject to change, if the Company's Articles of Incorporation and applicable company law prescribe a lower cap.

## HOW TO APPLY 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.

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 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 <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable <sup>(2)</sup> on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
50	5,353.45	700	74,948.30	5,000	535,345.06	70,000	7,494,830.70
100	10,706.91	800	85,655.21	6,000	642,414.05	80,000	8,565,520.80
150	16,060.35	900	96,362.11	7,000	749,483.06	90,000	9,636,210.90
200	21,413.80	1,000	107,069.01	8,000	856,552.08	100,000	10,706,901.00
250	26,767.26	1,500	160,603.51	9,000	963,621.09	120,000	12,848,281.20
300	32,120.71	2,000	214,138.02	10,000	1,070,690.10	140,000	14,989,661.40
350	37,474.16	2,500	267,672.53	20,000	2,141,380.20	160,000	17,131,041.60
400	42,827.60	3,000	321,207.04	30,000	3,212,070.30	189,350 <sup>(1)</sup>	20,273,517.05
450	48,181.06	3,500	374,741.54	40,000	4,282,760.40		
500	53,534.50	4,000	428,276.05	50,000	5,353,450.50		
600	64,241.41	4,500	481,810.55	60,000	6,424,140.60		

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

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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

### 5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply 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 Practise Note on Treatment of Multiple/Suspected Multiple Applications (“**Best Practise 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 authorise us and/or the Sole Overall Coordinator, 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;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- (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 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 the paragraph headed “— G. Personal Data — 3. Purposes and — 4. Transfer of personal data” in this section;
- (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 the paragraph headed “— B. Publication of Results” in this section;



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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- (x) confirm that you are aware of the situations specified in the paragraph headed “— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares” in this section;
- (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 the 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 Sole Overall Coordinator 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

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- (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 <b>HK eIPO White Form</b> service or <b>HKSCC EIPO</b> channel:	
Website . . . . . From the “Allotment Results” page at <a href="http://www.tricor.com.hk/ipo/result">www.tricor.com.hk/ipo/result</a> or <a href="http://www.hkeipo.hk/IPOResult">www.hkeipo.hk/IPOResult</a> with a “search by ID” function.	24 hours, from 11:00 p.m. on Monday, December 22, 2025 to 12:00 midnight on Sunday, December 28, 2025 (Hong Kong time)

The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at [www.hkeipo.hk/IPOResult](http://www.hkeipo.hk/IPOResult) or [www.tricor.com.hk/ipo/result](http://www.tricor.com.hk/ipo/result).

The Stock Exchange’s website at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> and our website at <a href="http://www.nuobikan.com">www.nuobikan.com</a> which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Monday, December 22, 2025 (Hong Kong time).
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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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Platform	Date/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 Tuesday, December 23, 2025 to Tuesday, December 30, 2025 (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 Friday, December 19, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, December 19, 2025 (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 Global Offering, the level of applications in the Hong Kong Public Offer and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.nuobikan.com](http://www.nuobikan.com) by no later than 11:00 p.m. on Monday, December 22, 2025 (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 Sole Overall Coordinator, 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.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### 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 Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

### 4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Sole Overall Coordinator believes 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 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 allotment of Hong Kong Offer Shares 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 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 Global 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.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### D. DESPATCH/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 Tuesday, December 23, 2025 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	<u>HK eIPO White Form service</u>	<u>HKSCC EIPO channel</u>
<b>Despatch/collection of H Share certificate<sup>2</sup></b>		
<b>For application of 100,000 Hong Kong Offer Shares or more. . . .</b>	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
	<b>Time:</b> from 9:00 a.m. to 1:00 p.m. on Tuesday, December 23, 2025 (Hong Kong time)	No action by you is required

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<sup>2</sup> Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an “extreme conditions” announcement issued after a super typhoon in force in Hong Kong in the morning on Monday, December 22, 2025 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, our Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to “— E. Bad Weather Arrangements” in this section.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### HK eIPO White Form service

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### HKSCC EIPO channel

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If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorisation 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

**For application of less than  
100,000 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:** Monday, December 22, 2025

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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	<u>HK eIPO White Form service</u>	<u>HKSCC EIPO channel</u>
<b>Refund mechanism for surplus application monies paid by you</b>		
<b>Date</b> . . . . .	Tuesday, December 23, 2025	Subject to the arrangement between you and your broker or custodian
<b>Responsible party</b> . . . . .	H Share Registrar	Your broker or custodian
<b>Application monies paid through single bank account.</b> . . . . .	<b>HK eIPO White Form e-Auto</b> 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
<b>Application monies paid through multiple bank accounts</b> . . . . .	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

### **E. SEVERE WEATHER ARRANGEMENTS**

#### **The Opening and Closing of the Application Lists**

The application lists will not open or close on Thursday, December 18, 2025 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions

(collectively, “**Severe Weather Signals**”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, December 18, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made and published on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.nuobikan.com](http://www.nuobikan.com) of the revised timetable.

If a Severe Weather Signal is hoisted on Monday, December 22, 2025, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Tuesday, December 23, 2025.

If a Severe Weather Signal is hoisted on Monday, December 22, 2025, for application of less than 100,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Monday, December 22, 2025 or on Tuesday, December 23, 2025).

If a Severe Weather Signal is hoisted on Tuesday, December 23, 2025, for application of 100,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar’s office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Tuesday, December 23, 2025 or on Wednesday, December 24, 2025).

**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.



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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### 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 our 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 despatch 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;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- registering new issues or transfers into or out of the names of the holders of the 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 Shares and identifying any duplicate applications for the Shares;
- facilitating the balloting of Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the 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 our and 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 advisers, 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 the Company or the H Share Registrar in connection with their respective business operation;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- 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 fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

### **6. Access to and Correction of Personal Data**

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

*The following is the text of a report received from our Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.*



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**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE  
DIRECTORS OF NUOBIKAN ARTIFICIAL INTELLIGENCE TECHNOLOGY  
(CHENGDU) CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION  
HONG KONG SECURITIES LIMITED**

**Introduction**

We report on the historical financial information of Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to I-87, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 30 June 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to I-87 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 15 December 2025 (the “Prospectus”) in connection with the initial listing of the 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 2.1 to the Historical Financial Information, and for such internal control as the directors 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 ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 and 30 June 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

**Review of interim comparative financial information**

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the “Interim Comparative Financial Information”). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim 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 Interim Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 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-4 have been made.

**Dividends**

We refer to note 11 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

Ernst & Young

*Certified Public Accountants*

Hong Kong

15 December 2025

**I HISTORICAL FINANCIAL INFORMATION****Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "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**

		Year ended 31 December			Six months ended 30 June	
	Notes	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
REVENUE . . . . .	5	252,620	363,699	402,640	185,726	231,571
Cost of sales . . . . .		(112,257)	(152,351)	(165,407)	(78,178)	(140,770)
Gross profit . . . . .		140,363	211,348	237,233	107,548	90,801
Other income and gains . . . .	5	19,851	9,228	23,710	12,483	11,717
Selling and distribution expenses . . . . .		(10,930)	(17,203)	(16,341)	(7,944)	(6,516)
Research and development expenses . . . . .		(44,488)	(56,645)	(59,557)	(39,738)	(22,728)
Administrative expenses . . . .		(14,994)	(18,972)	(35,812)	(10,032)	(16,906)
Impairment losses on financial and contract assets, net . . . . .		(15,295)	(28,567)	(19,437)	(7,066)	(10,219)
Other expenses . . . . .		(515)	(14)	(277)	(260)	–
Finance costs . . . . .	7	(1,437)	(2,315)	(3,415)	(1,693)	(1,817)
PROFIT BEFORE TAX . . . .	6	72,555	96,860	126,104	53,298	44,332
Income tax expense . . . . .	10	(9,394)	(8,294)	(10,736)	(2,562)	(4,251)
PROFIT FOR THE YEAR/PERIOD . . . . .		<u>63,161</u>	<u>88,566</u>	<u>115,368</u>	<u>50,736</u>	<u>40,081</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD . . . . .		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD . . . . .		<u>63,161</u>	<u>88,566</u>	<u>115,368</u>	<u>50,736</u>	<u>40,081</u>
Attributable to:						
Owners of the parent . . . .		<u>63,161</u>	<u>88,566</u>	<u>115,368</u>	<u>50,736</u>	<u>40,081</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB) . . .	12	<u>2.24</u>	<u>2.77</u>	<u>3.44</u>	<u>1.54</u>	<u>1.18</u>



## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 June
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment . . . . .	13	2,905	3,976	79,289	66,499
Right-of-use assets . . . . .	14(a)	3,866	5,954	6,171	4,332
Intangible assets . . . . .	15	—	6,777	3,299	1,776
Contract assets . . . . .	19	2,795	3,228	26,719	27,652
Prepayments, other receivables and other assets . . . . .	20	83	253	250	650
Deferred tax assets . . . . .	26	7,361	11,748	13,916	15,219
Total non-current assets . . . . .		17,010	31,936	129,644	116,128
CURRENT ASSETS					
Inventories . . . . .	16	2,041	4,570	4,312	3,245
Contract costs . . . . .	17	76,566	49,039	6,018	12,993
Trade and bills receivables . .	18	182,656	303,294	475,804	477,704
Contract assets . . . . .	19	813	310	2,550	3,025
Prepayments, other receivables and other assets . . . . .	20	48,236	64,417	48,732	53,888
Pledged deposits . . . . .	21	—	—	1,803	2,877
Cash and cash equivalents . . .	21	138,455	84,539	167,332	337,821
Total current assets . . . . .		448,767	506,169	706,551	891,553
CURRENT LIABILITIES					
Trade and bill payables . . . . .	22	104,097	27,985	54,248	126,311
Other payables and accruals . .	23	9,727	11,944	40,018	13,696
Interest-bearing bank loans . .	24	30,194	79,500	90,000	170,500
Lease liabilities . . . . .	14(b)	1,068	2,083	2,848	3,028
Deferred income . . . . .	25	370	—	—	—
Tax payable . . . . .		8,034	4,915	6,623	3,791
Total current liabilities . . . . .		153,490	126,427	193,737	317,326
NET CURRENT ASSETS . . .		295,277	379,742	512,814	574,227
TOTAL ASSETS LESS					
CURRENT LIABILITIES . .		312,287	411,678	642,458	690,355

		As at 31 December			As at 30 June
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT					
LIABILITIES					
Interest-bearing bank loans . .	24	–	10,000	–	9,500
Lease liabilities . . . . .	14(b)	2,586	3,411	2,737	1,053
Total non-current liabilities . .		2,586	13,411	2,737	10,553
Net assets . . . . .		309,701	398,267	639,721	679,802
EQUITY					
Equity attributable to					
owners of the parent					
Share capital/paid-in capital .	28	32,000	32,000	34,080	34,080
Reserves . . . . .	29	277,701	366,267	605,641	645,722
Total equity . . . . .		309,701	398,267	639,721	679,802

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to owners of the parent					Total equity
	Share capital	Paid-in capital	Capital reserves*	Statutory surplus reserve*	(Accumulated losses)/ retained profits*	
	RMB'000 (note 28)	RMB'000 (note 28)	RMB'000 (note 29)	RMB'000 (note 29)	RMB'000	RMB'000
At 1 January 2022 . . . . .	–	5,778	39,614	–	(22,096)	23,296
Profit and total comprehensive income for the year . . . . .	–	–	–	–	63,161	63,161
Capital contribution from shareholders before conversion into a joint stock company . . . . .	–	963	94,037	–	–	95,000
Conversion into a joint stock company . . . . .	30,000	(6,741)	(61,327)	–	38,068	–
Capital contribution from shareholders after conversion into a joint stock company . . . . .	2,000	–	98,000	–	–	100,000
Share issue expenses . . . . .	–	–	(3,826)	–	–	(3,826)
Transfer to statutory surplus reserve . . . . .	–	–	–	5,531	(5,531)	–
Dividends paid to shareholders . . . . .	–	–	–	–	(6,000)	(6,000)
Termination of redemption liabilities on series A owners' capital (note 27) . . . . .	–	–	38,070	–	–	38,070
At 31 December 2022 . . . . .	32,000	–	204,568	5,531	67,602	309,701

## Year ended 31 December 2023

	Attributable to owners of the parent				
	Share capital	Capital reserves*	Statutory surplus reserve*	Retained profits*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 28)	(note 29)	(note 29)		
At 1 January 2023 . . . . .	32,000	204,568	5,531	67,602	309,701
Profit and total comprehensive income for the year . . . . .	–	–	–	88,566	88,566
Transfer to statutory surplus reserve . . . . .	–	–	5,066	(5,066)	–
At 31 December 2023 . . . . .	<u>32,000</u>	<u>204,568</u>	<u>10,597</u>	<u>151,102</u>	<u>398,267</u>

## Year ended 31 December 2024

	Attributable to owners of the parent				
	Share capital	Capital reserves*	Statutory surplus reserve*	Retained profits*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 28)	(note 29)	(note 29)		
At 1 January 2024 . . . . .	32,000	204,568	10,597	151,102	398,267
Profit and total comprehensive income for the year . . . . .	–	–	–	115,368	115,368
Issue of shares . . . . .	2,080	127,920	–	–	130,000
Share issue expenses . . . . .	–	(3,914)	–	–	(3,914)
Transfer to statutory surplus reserve . . . . .	–	–	5,465	(5,465)	–
At 31 December 2024 . . . . .	<u>34,080</u>	<u>328,574</u>	<u>16,062</u>	<u>261,005</u>	<u>639,721</u>

## Six months ended 30 June 2025

	Attributable to owners of the parent				
	Share capital	Capital reserves*	Statutory surplus reserve*	Retained profits*	Total equity
	<i>RMB'000</i> <i>(note 28)</i>	<i>RMB'000</i> <i>(note 29)</i>	<i>RMB'000</i> <i>(note 29)</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025 . . . . .	34,080	328,574	16,062	261,005	639,721
Profit and total comprehensive income for the period . . . . .	—	—	—	40,081	40,081
At 30 June 2025 . . . . .	<u>34,080</u>	<u>328,574</u>	<u>16,062</u>	<u>301,086</u>	<u>679,802</u>

\* These reserve accounts comprise the consolidated reserves of RMB277,701,000, RMB366,267,000, RMB605,641,000 and RMB645,722,000 in the consolidated statements of financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively.

## Six months ended 30 June 2024 (unaudited)

	Attributable to owners of the parent				
	Share capital	Capital reserves	Statutory surplus reserve	Retained profits	Total equity
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024 . . . . .	32,000	204,568	10,597	151,102	398,267
Profit and total comprehensive income for the period . . . . .	—	—	—	50,736	50,736
Issue of shares . . . . .	2,080	127,920	—	—	130,000
Share issue expenses . . . . .	—	(3,914)	—	—	(3,914)
At 30 June 2024 (unaudited) . . . . .	<u>34,080</u>	<u>328,574</u>	<u>10,597</u>	<u>201,838</u>	<u>575,089</u>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Six months ended 30 June	
	Notes	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
CASH FLOWS FROM						
OPERATING ACTIVITIES						
Profit before tax . . . . .		72,555	96,860	126,104	53,298	44,332
Adjustments for:						
Finance costs . . . . .	7	1,437	2,315	3,415	1,693	1,817
Investment income from						
financial assets at fair value						
through profit or loss . . . .		(427)	–	–	–	–
Investment income from						
financial assets at fair value						
through other						
comprehensive income . . . .		–	–	(513)	–	–
Interest income from a loan						
to a third party . . . . .		(67)	(254)	(146)	(146)	–
Loss on disposal of items of						
property, plant and						
equipment . . . . .		3	14	12	8	–
Gain on termination of leases.		–	–	(190)	(190)	(48)
Depreciation of property,						
plant and equipment . . . . .	13	603	1,122	3,172	1,670	13,070
Depreciation of right-of-use						
assets . . . . .	14(a)	828	1,459	2,946	1,332	1,494
Amortisation of intangible						
assets . . . . .	15	–	294	3,537	1,768	1,776
Impairment losses on						
financial and contract						
assets, net . . . . .		15,295	28,567	19,437	7,066	10,219
		90,227	130,377	157,774	66,499	72,660

<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Decrease/(increase) in inventories . . . . .	(1,447)	(2,529)	258	329	1,067
Decrease/(increase) in contract costs . . . . .	(76,566)	27,527	43,021	47,919	(6,975)
Increase in trade and bills receivables . . . . .	(108,444)	(148,731)	(187,825)	(141,113)	(11,466)
Decrease/(increase) in contract assets . . . . .	(2,201)	32	(27,213)	(24,740)	(1,558)
Decrease/(increase) in prepayments, other receivables and other assets . .	(37,287)	(18,716)	14,806	26,377	(5,360)
Increase in pledged deposits . .	–	–	(1,803)	(242)	(1,074)
Increase/(decrease) in trade and bill payables . . . . .	72,605	(76,112)	26,263	(6,061)	72,063
Increase/(decrease) in other payables and accruals . . . . .	(4,601)	2,217	26,138	2,279	(26,322)
Increase/(decrease) in deferred income . . . . .	370	(370)	–	–	–
Cash generated from/(used in) operations . . . . .	(67,344)	(86,305)	51,419	(28,753)	93,035
Income tax paid . . . . .	(13,241)	(13,617)	(11,196)	(11,294)	(8,637)
Net cash flows from/(used in) operating activities. . . . .	(80,585)	(99,922)	40,223	(40,047)	84,398

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(unaudited)</i>	
CASH FLOWS FROM						
INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment . . . . .		(2,470)	(2,229)	(76,583)	(7,185)	(280)
Additions to intangible assets . .	15	–	(7,071)	(59)	–	(253)
Proceeds from disposal of items of property, plant and equipment . . . . .		2	22	22	–	–
Purchases of financial assets at fair value through profit or loss . . . . .		(103,660)	–	–	–	–
Proceeds from disposal of financial assets at fair value through profit or loss . . . . .		106,117	–	–	–	–
Purchases of financial assets at fair value through other comprehensive income . . . . .		–	–	(60,000)	(60,000)	–
Proceeds from disposal of financial assets at fair value through other comprehensive income . . . . .		–	–	60,513	–	–
Loan to a third party . . . . .		(2,000)	–	–	–	–
Net cash flows used in investing activities . . . . .		(2,011)	(9,278)	(76,107)	(67,185)	(533)



**APPENDIX I**
**ACCOUNTANTS' REPORT**

		Year ended 31 December			Six months ended 30 June		
Notes		2022	2023	2024	2024	2025	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
					(unaudited)		
CASH FLOWS FROM							
FINANCING ACTIVITIES							
Capital contribution from							
	shareholders . . . . .	195,000	–	130,000	130,000	–	
	Share issue expenses . . . . .	(3,826)	–	(3,914)	(3,122)	–	
	New bank loans . . . . .	30,000	135,000	110,000	40,000	120,000	
	Repayment of bank loans . . . . .	–	(75,500)	(109,500)	(40,500)	(30,000)	
Principal portion of lease							
	payments . . . . .	(942)	(1,707)	(2,930)	(1,350)	(1,097)	
	Interest paid . . . . .	(563)	(2,509)	(3,415)	(1,304)	(1,817)	
Payment for deferred listing							
	expenses . . . . .	–	–	(1,564)	–	(462)	
	Dividends paid . . . . .	(6,000)	–	–	–	–	
Net cash flows from financing activities . . . . .		213,669	55,284	118,677	123,724	86,624	
NET INCREASE/(DECREASE)							
IN CASH AND CASH							
EQUIVALENTS . . . . .							
	Cash and cash equivalents at	131,073	(53,916)	82,793	16,492	170,489	
	beginning of year/period . . . . .	7,382	138,455	84,539	84,539	167,332	
CASH AND CASH							
EQUIVALENTS AT END OF							
	YEAR/PERIOD . . . . .	138,455	84,539	167,332	101,031	337,821	
ANALYSIS OF BALANCES							
OF CASH AND CASH							
EQUIVALENTS							
	Cash and bank balances . . . . .	21	138,455	84,539	169,135	101,273	340,698
	Pledged deposits for letters of						
	guarantee . . . . .	21	–	–	(325)	(242)	(960)
Pledged deposit for a bill							
	payable . . . . .	21	–	–	(1,478)	–	(1,917)
Cash and cash equivalents as							
stated in the consolidated							
statements of financial							
position and the consolidated							
statements of cash flows . . . . .			138,455	84,539	167,332	101,031	337,821

## STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 June
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment.	13	1,867	2,236	9,476	7,854
Right-of-use assets . . . . .	14(a)	1,915	2,063	3,106	2,255
Intangible assets . . . . .		—	—	58	303
Investments in subsidiaries . .	36	15,000	15,500	39,000	89,000
Contract assets . . . . .	19	2,795	3,228	26,719	27,652
Prepayments, other receivables and other assets . . . . .	20	33	88	55	455
Deferred tax assets . . . . .	26	5,545	9,171	11,074	11,575
Total non-current assets . . . .		27,155	32,286	89,488	139,094
CURRENT ASSETS					
Inventories . . . . .	16	3,283	8,259	1,937	1,536
Contract costs . . . . .	17	76,566	48,673	3,888	2,296
Trade and bills receivables . .	18	159,605	276,008	385,408	388,571
Contract assets . . . . .	19	646	310	2,550	3,025
Prepayments, other receivables and other assets . . . . .	20	40,006	44,800	89,440	145,846
Pledged deposits . . . . .	21	—	—	1,803	2,877
Cash and cash equivalents . .	21	120,224	52,893	130,225	189,335
Total current assets . . . . .		400,330	430,943	615,251	733,486
CURRENT LIABILITIES					
Trade and bill payables . . . .	22	93,267	66,516	63,081	151,653
Other payables and accruals . .	23	9,358	7,667	60,241	19,843
Interest-bearing bank loans . .	24	30,194	50,000	60,000	140,000
Lease liabilities . . . . .	14(b)	370	641	1,697	1,741
Deferred income . . . . .	25	370	—	—	—
Tax payable . . . . .		6,594	520	1,678	3,758
Total current liabilities . . . . .		140,153	125,344	186,697	316,995
NET CURRENT ASSETS . . . .		260,177	305,599	428,554	416,491
TOTAL ASSETS LESS					
CURRENT LIABILITIES . .		287,332	337,885	518,042	555,585

		As at 31 December			As at 30 June
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities. . . . .	14(b)	1,455	1,345	763	53
Total non-current liabilities. . .		1,455	1,345	763	53
Net assets . . . . .		285,877	336,540	517,279	555,532
<b>EQUITY</b>					
Share capital/paid-in capital . .	28	32,000	32,000	34,080	34,080
Reserves . . . . .	29	253,877	304,540	483,199	521,452
Total equity . . . . .		285,877	336,540	517,279	555,532

## II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

## 1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China (the "PRC"). The registered office of the Company is located at 2F, Annex 201, No. 282, Wanshou West Road, Wuhou District, Chengdu, Sichuan Province, PRC.

During the Relevant Periods, the Company and its subsidiaries (together, the "Group") were involved in development and commercialisation of AI technologies.

As at 30 June 2025, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of registration and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Chengdu Zhonggui Railway Equipment Co., Ltd.* ("Zhonggui Railway") (成都中軌軌道設備有限公司) (note (a)) . . . . .	PRC/Mainland China 19 September 2017	RMB10,000,000	100	–	Development and commercialisation of AI + rail transit solutions
Deyang Zhongzhou Chuangzhi Technology Co., Ltd.* ("Zhongzhou Chuangzhi") (德陽中州創智科技有限公司) (note (a)) . . . . .	PRC/Mainland China 24 July 2019	RMB2,000,000	100	–	Development and commercialisation of AI technologies
Beijing Youjia Dongsheng Technology Co., Ltd.* ("Youjia Dongsheng") (北京有家東升科技有限公司) (note (a)) . . . . .	PRC/Mainland China 11 February 2022	RMB5,000,000	100	–	Development and commercialisation of AI technologies
Chengdu Haitang Dongsheng Technology Co., Ltd.* ("Haitang Dongsheng") (成都海棠東升科技有限公司) (note (b)) . . . . .	PRC/Mainland China 6 June 2023	RMB10,000,000	100	–	Development and commercialisation of AI technologies
Nuobikan Artificial Intelligence Technology (Chongqing) Co., Ltd.* ("Nuobikan Chongqing") (諾比侃人工智能科技(重慶)有限責任公司) (note (c)) . . . . .	PRC/Mainland China 2 July 2024	RMB90,000,000	100	–	Development and commercialisation of AI technologies

## Notes:

- (a) The statutory financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Chengdu Beige Certified Public Accountants Co., Ltd. (成都北格會計師事務所有限公司), certified public accountants registered in the PRC.
- (b) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared under PRC GAAP were audited by Chengdu Beige Certified Public Accountants Co., Ltd. (成都北格會計師事務所有限公司), certified public accountants registered in the PRC.

- (c) The statutory financial statements of this entity for the year ended 31 December 2024 prepared under PRC GAAP were audited by Chengdu Beige Certified Public Accountants Co., Ltd. (成都北格會計師事務所有限公司), certified public accountants registered in the PRC.

- \* The English names of these entities registered in the PRC represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names.

## 2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted on a consistent basis by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value.

### Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting periods as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities and any non-controlling interest; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18 . . . . .	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19 . . . . .	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7 . . . . .	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7 . . . . .	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 . . . . .	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> . . . . .	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual/reporting periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and other comprehensive income and disclosures of the Group's financial performance. So far, the Group considers that the adoption of HKFRS 18 is unlikely to have a significant impact on the Group's results of operations and financial position.

The Group is in the process of making an assessment of the impact of the other new and revised HKFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised HKFRS Accounting Standards may result in changes in certain accounting policies and are unlikely to have a significant impact on the Group's results of operations and financial position in the period of initial application.

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION

### Fair value measurement

The Group measures its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- |         |   |   |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities   |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable                              |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any amortisation/depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

**Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

**Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.



Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Leasehold improvements . . . . .	3 to 5 years
Motor vehicles . . . . .	3 to 5 years
Furniture and equipment . . . . .	3 to 5 years
Servers . . . . .	3 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

### **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### ***Software***

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 2 to 10 years.

### ***Research and development costs***

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new technology is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development expenditure which does not meet these criteria is expensed when incurred.

### **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### ***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*(a) Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises . . . . . 2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

*(b) Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented separately in the consolidated statement of financial position.

*(c) Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases 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 recognised as an expense on a straight-line basis over the lease term.

**Investments and other financial assets*****Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

#### ***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### *Financial assets at fair value through other comprehensive income (debt investments)*

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

#### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

***General approach***

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- |         |   |  |
|---------|---|--|
| Stage 1 | – | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs   |
| Stage 2 | – | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | – | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs                          |

***Simplified approach***

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Financial liabilities*****Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank loans.

***Subsequent measurement***

The subsequent measurement of financial liabilities depends on their classification as follows:

***Financial liabilities at amortised cost (trade and other payables, and borrowings)***

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

**Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**Redemption liabilities on owners' capital**

For the redeemable owners' capital issued by the Company as detailed in note 27, financial liabilities are recognised based on the net present value of the redemption amount and debited to equity. Changes of net present value during the reporting period are recognised in profit or loss. When the redemption rights related to the redeemable owners' capital are terminated, redemption liabilities on owners' capital are extinguished and credited to equity.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

**Cash and cash equivalents**

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

**Income tax**

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

#### **Revenue recognition**

##### ***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group transfers control of goods or services over time and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

##### ***(a) Sales of software***

The Group provides software products to its customers. Revenue is recognised at a point in time when software is delivered to the customer's designated place, inspected and accepted by the customer.

For certain sales of software, the Group also provides related maintenance and upgrade services for a specific period (normally 3 years after the customer's acceptance) after sale as stipulated in the same contract. These maintenance and upgrade services are provided to maintain and improve the effectiveness of the software and therefore are accounted for as a separate performance obligation. Revenue from provision of maintenance and upgrade services is recognised over the service period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

##### ***(b) Provision of software and hardware integrated solutions***

The Group provides software and hardware integrated solutions based on its self-developed AI technology platform, the NBK-INTARI AI platform, with combination of key technologies by embedding core software in hardware. Revenue from the provision of software and hardware integrated solutions is recognised at the point in time when the integrated software and hardware is delivered to the customer's designated place, inspected and accepted by the customer.

For certain provision of software and hardware integrated solutions, the Group also provides related maintenance services for a specific period (normally 1 year after the customer's acceptance) after provision of solutions as stipulated in the same contract. These maintenance services are provided to maintain the effectiveness of the integrated solutions and therefore are accounted for as a separate performance obligation. Revenue from provision of maintenance services is recognised over the service period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(c) *Technology services*

Revenue from technology services is recognised at the point in time when the Group transfers the control of the services/deliverables, generally upon finalisation, delivery and acceptance of the services/deliverables.

**Other income**

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Income from sales of materials is recognised at the point in time on acceptance of the materials by the counterparty.

**Contract assets**

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

**Contract liabilities**

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

**Contract costs**

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

**Employee benefits**

**Pension schemes**

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal government and the central government. These subsidiaries are required to contribute a certain percentage of payroll costs to the central pension schemes. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes.



**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Dividends**

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. 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.

**Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

***Provision for expected credit losses on trade receivables and contract assets***

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on ageing period for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 18 and note 19 to the Historical Financial Information, respectively.

***Leases – Estimating the incremental borrowing rate***

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

*Deferred tax assets*

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 26 to the Historical Financial Information.

**4. OPERATING SEGMENT INFORMATION**

For management purposes, the Group is not organised into business units based on their service and products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

**Geographical information***(a) Revenue from external customers*

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Mainland China . . . . .	252,620	363,699	402,497	185,679	231,516
Overseas . . . . .	—	—	143	47	55
Total revenue . . . . .	252,620	363,699	402,640	185,726	231,571

The revenue information above is based on the locations of the customers.

*(b) Non-current assets*

All of the non-current assets of the Group were located in Mainland China.

**Information about major customers**

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the Relevant Periods and the six months ended 30 June 2024 is set out below:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Customer A . . . . .	70,309	105,962	*	*	*
Customer B . . . . .	*	111,009	113,363	113,363	*
Customer C . . . . .	*	*	*	19,292	*
Customer D . . . . .	*	*	*	18,584	*
Customer K . . . . .	*	*	*	*	116,189

\* Less than 10% of the Group's revenue.

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<i>Revenue from contracts with customers . . . . .</i>	252,620	363,699	402,640	185,726	231,571

## Revenue from contracts with customers

## (i) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<b>Types of goods or services</b>					
Sales of software . . . . .	94,015	131,128	1,623	1,623	4,419
Provision of software and hardware integrated solutions . . . . .	151,017	232,571	380,589	184,103	187,165
Technology services. . . . .	7,588	–	20,428	–	39,987
Total . . . . .	252,620	363,699	402,640	185,726	231,571
<b>Geographical markets</b>					
Mainland China . . . . .	252,620	363,699	402,497	185,679	231,516
Overseas. . . . .	–	–	143	47	55
Total . . . . .	252,620	363,699	402,640	185,726	231,571
<b>Timing of revenue recognition</b>					
Goods transferred or services provided at a point in time. . . . .	252,620	360,454	401,017	184,103	230,533
Services provided over time . . . . .	–	3,245	1,623	1,623	1,038
Total . . . . .	252,620	363,699	402,640	185,726	231,571

The following table shows the amount of revenue recognised in the Relevant Periods and the six months ended 30 June 2024 that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:					
Technology services. . . . .	—	—	—	—	12,184
Provision of software and hardware integrated solutions. . . . .	—	—	72	—	629
Total . . . . .	—	—	72	—	12,813

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

*Sales of software*

The performance obligation of sales of software is satisfied upon acceptance of the software and payment is generally due within one to twelve months from acceptance. The performance obligation of software relevant maintenance and upgrade services is satisfied over time as services are rendered and payment is generally due within twelve months from the date of billing.

*Provision of software and hardware integrated solutions*

The performance obligation of provision of software and hardware integrated solutions is satisfied upon acceptance of the integrated software and hardware and payment is generally due within one to twelve months from acceptance. The performance obligation of integrated solutions relevant maintenance services is satisfied over time as services are rendered and payment is generally due within twelve months from the date of billing.

*Technology services*

The performance obligation of technology services is satisfied upon finalisation, delivery and acceptance of the services/deliverables and payment is generally due within one month from the date of billing.

All the contracts that are partially or fully unsatisfied are for periods of one year or less. As the Group applies the practical expedient in HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<u>Other income</u>					
Government grants* . . . . .	1,967	4,476	1,803	466	1,485
Value-added tax refund** . . .	16,345	3,529	20,166	11,206	9,493
Bank interest income . . . . .	396	969	892	475	691
Investment income from financial assets at fair value through profit or loss . . . . .	427	—	—	—	—
Investment income from financial assets at fair value through other comprehensive income. . .	—	—	513	—	—
Interest income from a loan to a third-party . . . . .	67	254	146	146	—
Sales of materials . . . . .	649	—	—	—	—
Total other income . . . . .	19,851	9,228	23,520	12,293	11,669
<u>Gain</u>					
Gain on termination of leases . . . . .	—	—	190	190	48
Total other income and gains . . . . .	19,851	9,228	23,710	12,483	11,717

\* The government grants mainly represent subsidies received from the local governments to support the Group's research and development activities and operation or for the purpose of reward for the Group's financial contribution.

\*\* During the Relevant Periods, the Group sold self-developed software products to its customers. The value-added tax ("VAT") was collected at a tax rate of 13% and the refund-upon-collection policy was applied to self-developed software products, and the refund is typically the portion of VAT actually paid that exceeds 3% of the revenue. The Group recorded the refunded VAT as other income when it obtained approvals from the local tax authorities and received the refunds.

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of sales of software . . .		50,930	76,397	62	62	1,996
Cost of software and hardware integrated solutions . . . . .		54,440	75,954	149,367	78,116	111,013
Cost of technology services . . . . .		6,887	–	15,978	–	27,761
Depreciation of property, plant and equipment. . . .	13	603	1,122	3,172	1,670	13,070
Depreciation of right-of-use assets. . . . .	14(a)	828	1,459	2,946	1,332	1,494
Amortisation of intangible assets* . . . . .	15	–	294	3,537	1,768	1,776
Research and development expenses . . . . .		44,488	56,645	59,557	39,738	22,728
Lease payments not included in the measurement of lease liabilities . . . . .	14(c)	98	281	101	71	64
Listing expenses . . . . .		–	–	14,735	–	2,377
Auditor's remuneration . . .		782	620	354	347	85
Government grants . . . . .		(1,967)	(4,476)	(1,803)	(466)	(1,485)
Value-added tax refund . . .		(16,345)	(3,529)	(20,166)	(11,206)	(9,493)
Bank interest income . . . .		(396)	(969)	(892)	(475)	(691)
Investment income from financial assets at fair value through profit or loss . . . . .		(427)	–	–	–	–
Investment income from financial assets at fair value through other comprehensive income . .		–	–	(513)	–	–
Interest income from a loan to a third party . . . . .		(67)	(254)	(146)	(146)	–
Gain on termination of leases . . . . .		–	–	(190)	(190)	(48)
Loss on disposal of items of property, plant and equipment . . . . .		3	14	12	8	–
Impairment losses on trade receivables, net. . . . .	18	15,047	28,093	15,315	3,130	9,566
Impairment losses on contract assets, net . . . .	19	279	38	1,482	1,460	150

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Impairment losses/(reversal of impairment losses) on financial assets included in prepayments, other receivables and other assets . . . . .	20	(31)	436	2,640	2,476	503
Employee benefit expense (excluding directors', chief executive's and supervisors' remuneration ( <i>note 8</i> )): . . . . .						
Wages, salaries and bonuses . . . . .		9,711	17,938	26,841	11,540	13,542
Pension scheme contributions (defined contribution scheme)** . . . . .		622	1,144	1,621	728	802
Staff welfare expenses . . . . .		520	1,516	2,866	1,053	1,286
Total . . . . .		10,853	20,598	31,328	13,321	15,630

\* The amortisation of intangible assets is included in "Research and development expenses" in the consolidated statements of profit or loss and other comprehensive income.

\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Interest on bank loans . . . . .	658	2,137	3,180	1,569	1,718
Interest on lease liabilities ( <i>note 14(b)</i> ) . . . . .	99	178	235	124	99
Interest on redemption liabilities on owners' capital ( <i>note 27</i> ) . . . . .	680	—	—	—	—
Total . . . . .	1,437	2,315	3,415	1,693	1,817

**8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION**

Directors', chief executive's and supervisors' remuneration for the Relevant Periods and the six months ended 30 June 2024 is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fees . . . . .	—	200	260	120	170
Other emoluments:					
Salaries, bonuses, allowances and benefits in kind . . . .	2,082	3,237	4,416	1,868	1,997
Pension scheme contributions . . . . .	35	49	52	24	24
Subtotal. . . . .	2,117	3,286	4,468	1,892	2,021
Total . . . . .	2,117	3,486	4,728	2,012	2,191

**(a) Independent non-executive directors**

The fees paid to independent non-executive directors during the Relevant Periods and the six months ended 30 June 2024 were as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Ms. Cao Xiaoxue . . . . .	—	100	120	60	60
Mr. Sang Yongsheng . . . .	—	100	120	60	60
Mr. Bau Siu Fung . . . . .	—	—	20	—	50
Total . . . . .	—	200	260	120	170

Ms. Cao Xiaoxue and Mr. Sang Yongsheng were appointed as independent non-executive directors on 8 March 2023. Mr. Bau Siu Fung was appointed as an independent non-executive director on 21 October 2024.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.



## (b) Executive directors, non-executive directors and the chief executive

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<u>Year ended 31 December 2022</u>			
Executive directors:			
Mr. Liao Yu* . . . . .	443	8	451
Mr. Tang Taike . . . . .	441	8	449
Mr. Sun Yuchuan . . . . .	417	8	425
Ms. Wang Li . . . . .	255	3	258
Total . . . . .	1,556	27	1,583
<u>Year ended 31 December 2023</u>			
Executive directors:			
Mr. Liao Yu* . . . . .	563	8	571
Mr. Tang Taike . . . . .	546	8	554
Mr. Sun Yuchuan . . . . .	502	8	510
Ms. Wang Li . . . . .	523	8	531
Total . . . . .	2,134	32	2,166
<u>Year ended 31 December 2024</u>			
Executive directors:			
Mr. Liao Yu* . . . . .	793	8	801
Mr. Tang Taike . . . . .	703	8	711
Mr. Sun Yuchuan . . . . .	530	8	538
Ms. Wang Li . . . . .	685	8	693
Subtotal . . . . .	2,711	32	2,743
Non-executive directors:			
Mr. Ruan Jianping . . . . .	—	—	—
Mr. Hua Zhangrong . . . . .	—	—	—
Subtotal . . . . .	—	—	—
Chief executive:			
Mr. Liu Bo* . . . . .	374	4	378
Total . . . . .	3,085	36	3,121

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<u>Six months ended 30 June 2025</u>			
Executive directors:			
Mr. Liao Yu* . . . . .	393	4	397
Mr. Liu Bo* . . . . .	353	4	357
Mr. Tang Taike . . . . .	321	4	325
Ms. Wang Li . . . . .	312	4	316
Subtotal . . . . .	1,379	16	1,395
Non-executive directors:			
Mr. Ruan Jianping . . . . .	—	—	—
Mr. Hua Zhangrong . . . . .	—	—	—
Subtotal . . . . .	—	—	—
Total . . . . .	1,379	16	1,395
<u>Six months ended 30 June 2024 (unaudited)</u>			
Executive directors:			
Mr. Liao Yu* . . . . .	332	4	336
Mr. Tang Taike . . . . .	321	4	325
Mr. Sun Yuchuan . . . . .	290	4	294
Ms. Wang Li . . . . .	314	4	318
Total . . . . .	1,257	16	1,273

\* Mr. Liao Yu served as the chief executive of the Company from December 2022 to June 2024. Mr. Liu Bo has served as the chief executive of the Company since June 2024.

Mr. Sun Yuchuan and Ms. Wang Li were appointed as executive directors on 26 July 2022. The amounts to Mr. Sun Yuchuan listed above for the year ended 31 December 2022 represent his total remuneration from January to December 2022. On 15 January 2025, Mr. Sun Yuchuan resigned as an executive director and on 20 January 2025, Mr. Liu Bo was appointed as an executive director.

Mr. Ruan Jianping and Mr. Hua Zhangrong were appointed as non-executive directors on 30 September 2024.

## (c) Supervisors

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000
<u>Year ended 31 December 2022</u>			
Mr. Lin Renhui . . . . .	431	7	438
Mr. Jiang Dengming . . . . .	—	—	—
Mr. Wang Wei . . . . .	95	1	96
Total . . . . .	526	8	534
<u>Year ended 31 December 2023</u>			
Mr. Lin Renhui . . . . .	556	9	565
Mr. Jiang Dengming . . . . .	—	—	—
Mr. Wang Wei . . . . .	547	8	555
Total . . . . .	1,103	17	1,120
<u>Year ended 31 December 2024</u>			
Mr. Lin Renhui . . . . .	720	8	728
Mr. Jiang Dengming . . . . .	—	—	—
Mr. Wang Wei . . . . .	611	8	619
Total . . . . .	1,331	16	1,347
<u>Six months ended 30 June 2025</u>			
Mr. Lin Renhui . . . . .	334	4	338
Mr. Jiang Dengming . . . . .	—	—	—
Mr. Wang Wei . . . . .	284	4	288
Total . . . . .	618	8	626
<u>Six months ended 30 June 2024 (unaudited)</u>			
Mr. Lin Renhui . . . . .	317	4	321
Mr. Jiang Dengming . . . . .	—	—	—
Mr. Wang Wei . . . . .	294	4	298
Total . . . . .	611	8	619

Mr. Jiang Dengming was appointed as a supervisor on 30 April 2022. Mr. Wang Wei was appointed as a supervisor on 4 December 2022.

There was no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and the six months ended 30 June 2024.

During the Relevant Periods and the six months ended 30 June 2024, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

## 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the six months ended 30 June 2024 included three, two, one, two and two directors, and nil, two, one, one and nil supervisor, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining two, one, three, two and three highest paid employees, who are neither a director, nor a supervisor, nor the chief executive of the Company during the Relevant Periods and the six months ended 30 June 2024, are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, bonuses, allowances and benefits in kind . . . . .	927	557	2,318	1,051	930
Pension scheme contributions . . . . .	15	8	25	12	9
Total . . . . .	942	565	2,343	1,063	939

The numbers of non-director, non-chief executive and non-supervisor highest paid employees whose remuneration fell within the following band are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
Nil to HK\$1,000,000 . . . . .	2	1	3	3	2

During the Relevant Periods and the six months ended 30 June 2024, no remuneration was paid by the Group to any non-director, non-chief executive and non-supervisor highest paid employee as an inducement to join or upon joining the Group or as compensation for loss of office.

## 10. INCOME TAX

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, preferential tax treatment is available to the Company and the subsidiary, Zhonggui Railway, since they were recognised as High and New Technology Enterprises and were entitled to a preferential tax rate of 15% during the Relevant Periods and the six months ended 30 June 2024.

Pursuant to the Corporate Income Tax of the PRC and the respective regulations, Nuobikan Chongqing was subject to income tax at a rate of 25% on its taxable income during the year 2024 and the six months ended 30 June 2025. Youjia Dongsheng, was subject to income tax at a rate of 25% on its taxable income during the year 2022, and was qualified as a small and micro enterprise during the years 2023 and 2024 and the six months ended 30 June 2025. Other subsidiaries were qualified as small and micro enterprises during the Relevant Periods and the six months ended 30 June 2024. During the year 2022, the preferential income tax rate was 2.5% for the first RMB1,000,000 of assessable profits and 5% for the assessable profits between RMB1,000,000 and RMB3,000,000. During the years 2023 and 2024 and the six months ended 30 June 2025, the preferential income tax rate was 5% for the first RMB3,000,000 of assessable profits.

## APPENDIX I

## ACCOUNTANTS' REPORT

The major components of income tax expense of the Group during the Relevant Periods and the six months ended 30 June 2024 are analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current – Charge for the year/period . . . . .	13,730	12,681	12,904	3,453	5,554
Deferred tax (note 26) . . . . .	(4,336)	(4,387)	(2,168)	(891)	(1,303)
Total tax charge for the year/period . . . . .	9,394	8,294	10,736	2,562	4,251

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate in Mainland China to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit before tax . . . . .	72,555	96,860	126,104	53,298	44,332
Tax at the statutory tax rate of 25% in Mainland China . . . . .	18,139	24,215	31,526	13,325	11,083
Effect of preferential lower tax rates entitled . . . . .	(7,315)	(9,632)	(12,534)	(5,139)	(4,797)
Additional deductible allowance for research and development expenses . . . . .	(3,307)	(6,786)	(8,744)	(5,843)	(3,341)
Expenses not deductible for tax . . . . .	348	471	272	123	100
Deductible temporary difference and tax losses not recognised . . . . .	1,529	26	216	96	1,206
Tax charge at the Group's effective tax rate . . . . .	9,394	8,294	10,736	2,562	4,251

### 11. DIVIDENDS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Dividends . . . . .	6,000	–	–	–	–

On 15 November 2022, the Company declared dividends of RMB6,000,000 to its shareholders for which RMB1,922,000 and RMB4,078,000 were paid in November 2022 and December 2022, respectively.

**12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

In December 2022, the Company was converted to a joint stock company and a total of 30,000,000 ordinary shares with par value of RMB1.00 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under the then shareholders. The conversion to ordinary shares with a par value of RMB1.00 each is applied retrospectively for the year ended 31 December 2022 for the purpose of computation of basic earnings per share.

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent and the weighted average numbers of ordinary shares of 28,223,089, 32,000,000, 33,504,438, 34,080,000 and 32,924,444 outstanding during the Relevant Periods and the six months ended 30 June 2024, respectively.

The Group had no potentially dilutive ordinary shares in issue during the Relevant Periods and the six months ended 30 June 2024.

**13. PROPERTY, PLANT AND EQUIPMENT****The Group**

	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Furniture and equipment</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>31 December 2022</b>				
At 1 January 2022:				
Cost . . . . .	571	300	802	1,673
Accumulated depreciation . . . . .	(38)	(109)	(483)	(630)
Net carrying amount . . . . .	533	191	319	1,043
At 1 January 2022, net of accumulated depreciation . . . . .	533	191	319	1,043
Additions . . . . .	1,255	206	1,009	2,470
Disposal . . . . .	–	–	(5)	(5)
Depreciation provided during the year ( <i>note 6</i> ) . . . . .	(200)	(69)	(334)	(603)
At 31 December 2022, net of accumulated depreciation . . . . .	1,588	328	989	2,905
At 31 December 2022:				
Cost . . . . .	1,826	506	1,775	4,107
Accumulated depreciation . . . . .	(238)	(178)	(786)	(1,202)
Net carrying amount . . . . .	1,588	328	989	2,905
<b>31 December 2023</b>				
At 1 January 2023:				
Cost . . . . .	1,826	506	1,775	4,107
Accumulated depreciation . . . . .	(238)	(178)	(786)	(1,202)
Net carrying amount . . . . .	1,588	328	989	2,905

	Leasehold improvements	Motor vehicles	Furniture and equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023, net of accumulated depreciation . . . . .	1,588	328	989	2,905
Additions . . . . .	619	99	1,511	2,229
Disposal . . . . .	–	–	(36)	(36)
Depreciation provided during the year (note 6) . . . . .	(450)	(101)	(571)	(1,122)
At 31 December 2023, net of accumulated depreciation . . . . .	1,757	326	1,893	3,976
At 31 December 2023:				
Cost . . . . .	2,445	605	3,214	6,264
Accumulated depreciation . . . . .	(688)	(279)	(1,321)	(2,288)
Net carrying amount . . . . .	1,757	326	1,893	3,976

	Leasehold improvements	Motor vehicles	Furniture and equipment	Servers	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>At 31 December 2024</b>					
At 1 January 2024:					
Cost . . . . .	2,445	605	3,214	–	6,264
Accumulated Depreciation . . . . .	(688)	(279)	(1,321)	–	(2,288)
Net carrying amount . . . . .	1,757	326	1,893	–	3,976
At 1 January 2024, net of accumulated depreciation . . . . .	1,757	326	1,893	–	3,976
Additions . . . . .	11,935	–	656	65,928	78,519
Disposal . . . . .	(4)	–	(30)	–	(34)
Depreciation provided during the year (note 6) . . . . .	(1,727)	(103)	(791)	(551)	(3,172)
At 31 December 2024, net of accumulated depreciation . . . . .	11,961	223	1,728	65,377	79,289
At 31 December 2024:					
Cost . . . . .	12,816	605	3,717	65,928	83,066
Accumulated depreciation . . . . .	(855)	(382)	(1,989)	(551)	(3,777)
Net carrying amount . . . . .	11,961	223	1,728	65,377	79,289

	Leasehold improvements	Motor vehicles	Furniture and equipment	Servers	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>30 June 2025</b>					
At 1 January 2025:					
Cost . . . . .	12,816	605	3,717	65,928	83,066
Accumulated Depreciation. . . . .	(855)	(382)	(1,989)	(551)	(3,777)
Net carrying amount . . . . .	11,961	223	1,728	65,377	79,289
At 1 January 2025, net of accumulated depreciation . . . . .	11,961	223	1,728	65,377	79,289
Additions . . . . .	163	–	117	–	280
Depreciation provided during the period (note 6). . . . .	(2,114)	(46)	(472)	(10,438)	(13,070)
At 30 June 2025, net of accumulated depreciation . . . . .	10,010	177	1,373	54,939	66,499
At 30 June 2025:					
Cost . . . . .	12,796	605	3,834	65,928	83,163
Accumulated depreciation . . . . .	(2,786)	(428)	(2,461)	(10,989)	(16,664)
Net carrying amount . . . . .	10,010	177	1,373	54,939	66,499

**The Company**

	Leasehold improvements	Motor vehicles	Furniture and equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>31 December 2022</b>				
At 1 January 2022:				
Cost . . . . .	–	300	244	544
Accumulated depreciation . . . . .	–	(109)	(183)	(292)
Net carrying amount . . . . .	–	191	61	252
At 1 January 2022, net of accumulated depreciation . . . . .	–	191	61	252
Additions . . . . .	1,072	206	519	1,797
Disposal . . . . .	–	–	(5)	(5)
Depreciation provided during the year . . . . .	(17)	(69)	(91)	(177)
At 31 December 2022, net of accumulated depreciation . . . . .	1,055	328	484	1,867
At 31 December 2022:				
Cost . . . . .	1,072	507	727	2,306
Accumulated depreciation . . . . .	(17)	(179)	(243)	(439)
Net carrying amount . . . . .	1,055	328	484	1,867



	Leasehold improvements	Motor vehicles	Furniture and equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>31 December 2023</b>				
At 1 January 2023:				
Cost . . . . .	1,072	507	727	2,306
Accumulated depreciation . . . . .	(17)	(179)	(243)	(439)
Net carrying amount . . . . .	1,055	328	484	1,867
At 1 January 2023, net of accumulated depreciation . . . . .	1,055	328	484	1,867
Additions . . . . .	–	99	947	1,046
Disposal . . . . .	–	–	(62)	(62)
Depreciation provided during the year . . . . .	(216)	(101)	(298)	(615)
At 31 December 2023, net of accumulated depreciation . . . . .	839	326	1,071	2,236
At 31 December 2023:				
Cost . . . . .	1,072	606	1,596	3,274
Accumulated depreciation . . . . .	(233)	(280)	(525)	(1,038)
Net carrying amount . . . . .	839	326	1,071	2,236

	Leasehold improvements	Motor vehicles	Furniture and equipment	Servers	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>31 December 2024</b>					
At 1 January 2024:					
Cost . . . . .	1,072	606	1,596	–	3,274
Accumulated depreciation . . . . .	(233)	(280)	(525)	–	(1,038)
Net carrying amount . . . . .	839	326	1,071	–	2,236
At 1 January 2024, net of accumulated depreciation . . . . .	839	326	1,071	–	2,236
Additions . . . . .	–	–	479	8,618	9,097
Disposal . . . . .	(4)	–	(10)	–	(14)
Depreciation provided during the year . . . . .	(773)	(103)	(512)	(455)	(1,843)
At 31 December 2024, net of accumulated depreciation . . . . .	62	223	1,028	8,163	9,476
At 31 December 2024:					
Cost . . . . .	78	606	2,038	8,618	11,340
Accumulated depreciation . . . . .	(16)	(383)	(1,010)	(455)	(1,864)
Net carrying amount . . . . .	62	223	1,028	8,163	9,476

	Leasehold improvements	Motor vehicles	Furniture and equipment	Servers	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>30 June 2025</b>					
At 1 January 2025:					
Cost . . . . .	78	606	2,038	8,618	11,340
Accumulated depreciation . .	(16)	(383)	(1,010)	(455)	(1,864)
Net carrying amount . . . . .	62	223	1,028	8,163	9,476
At 1 January 2025, net of accumulated depreciation . . . . .	62	223	1,028	8,163	9,476
Additions . . . . .	–	–	82	–	82
Depreciation provided during the period . . . . .	(9)	(46)	(285)	(1,364)	(1,704)
At 30 June 2025, net of accumulated depreciation . . . . .	53	177	825	6,799	7,854
At 30 June 2025:					
Cost . . . . .	78	606	2,120	8,618	11,422
Accumulated depreciation . .	(25)	(429)	(1,295)	(1,819)	(3,568)
Net carrying amount . . . . .	53	177	825	6,799	7,854

#### 14. LEASES

##### The Group as a lessee

The Group has lease contracts for office premises used in its operations. Leases of office premises generally have lease terms between 1 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

##### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises
	RMB'000
As at 1 January 2022 . . . . .	2,291
Additions . . . . .	2,403
Depreciation provided during the year (note 6) . . . . .	(828)
As at 31 December 2022 and at 1 January 2023 . . . . .	3,866
Additions . . . . .	3,547
Depreciation provided during the year (note 6) . . . . .	(1,459)
As at 31 December 2023 and at 1 January 2024 . . . . .	5,954
Additions . . . . .	5,321
Reduction as a result of termination of leases . . . . .	(2,158)
Depreciation provided during the year (note 6) . . . . .	(2,946)
As at 31 December 2024 and at 1 January 2025 . . . . .	6,171
Reduction as a result of termination of leases . . . . .	(345)
Depreciation provided during the period (note 6) . . . . .	(1,494)
As at 30 June 2025 . . . . .	4,332

**(b) Lease liabilities**

The carrying amounts of the Group's lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of year/period . . . . .	2,193	3,654	5,494	5,585
New leases . . . . .	2,403	3,547	5,321	–
Accretion of interest recognised during the year/period . . . . .	99	178	235	99
Reduction as a result of termination of leases . . . . .	–	–	(2,300)	(407)
Payments . . . . .	(1,041)	(1,885)	(3,165)	(1,196)
Carrying amount at end of year/period . . . . .	3,654	5,494	5,585	4,081
Analysed into:				
Current portion . . . . .	1,068	2,083	2,848	3,028
Non-current portion . . . . .	2,586	3,411	2,737	1,053

The maturity analysis of lease liabilities is disclosed in note 35 to the Historical Financial Information.

**(c) The amounts recognised in profit or loss in relation to leases are as follows:**

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on lease liabilities . . . . .	99	178	235	124	99
Depreciation charge of right-of-use assets . . . . .	828	1,459	2,946	1,332	1,494
Gain on termination of leases . . . . .	–	–	(190)	(190)	(48)
Expenses relating to short-term leases (included in administrative expenses and selling and distribution expenses) . . . . .	98	281	101	71	64
Total amount recognised in profit or loss . . . . .	1,025	1,918	3,092	1,337	1,609

(d) The total cash outflow for leases is disclosed in note 30(c) to the Historical Financial Information.

#### The Company as a lessee

The Company has lease contracts for office premises used in its operations. Leases of office premises generally have lease terms between 1 and 5 years. Generally, the Company is restricted from assigning and subleasing the leased assets outside the Company.

#### (a) Right-of-use assets

The carrying amounts of the Company's right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises
	RMB'000
As at 1 January 2022 . . . . .	–
Additions . . . . .	2,080
Depreciation provided during the year . . . . .	(165)
As at 31 December 2022 and at 1 January 2023 . . . . .	1,915
Additions . . . . .	588
Depreciation provided during the year . . . . .	(440)
As at 31 December 2023 and at 1 January 2024 . . . . .	2,063
Additions . . . . .	3,497
Reduction as a result of termination of leases . . . . .	(1,144)
Depreciation provided during the year . . . . .	(1,310)
As at 31 December 2024 and at 1 January 2025 . . . . .	3,106
Depreciation provided during the period . . . . .	(851)
As at 30 June 2025 . . . . .	2,255

#### (b) Lease liabilities

The carrying amounts of the Company's lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of year/period . . . . .	–	1,825	1,986	2,460
New leases . . . . .	2,080	588	3,497	–
Accretion of interest recognised during the year/period . . . . .	33	78	92	57
Reduction as a result of termination of leases . . . . .	–	–	(1,146)	–
Payments . . . . .	(288)	(505)	(1,969)	(723)
Carrying amount at end of year/period . . . . .	1,825	1,986	2,460	1,794
Analysed into:				
Current portion . . . . .	370	641	1,697	1,741
Non-current portion . . . . .	1,455	1,345	763	53

The maturity analysis of lease liabilities is disclosed in note 35 to the Historical Financial Information.

## 15. INTANGIBLE ASSETS

## The Group

	Software
	<i>RMB'000</i>
<b>31 December 2023</b>	
Cost at 1 January 2023, net of accumulated amortisation . . . . .	–
Additions . . . . .	7,071
Amortisation provided during the year ( <i>note 6</i> ) . . . . .	(294)
At 31 December 2023, net of accumulated amortisation. . . . .	6,777
At 31 December 2023:	
Cost . . . . .	7,071
Accumulated amortisation . . . . .	(294)
Net carrying amount . . . . .	6,777
<b>31 December 2024</b>	
Cost at 1 January 2024, net of accumulated amortisation . . . . .	6,777
Additions . . . . .	59
Amortisation provided during the year ( <i>note 6</i> ) . . . . .	(3,537)
At 31 December 2024, net of accumulated amortisation. . . . .	3,299
At 31 December 2024:	
Cost . . . . .	7,130
Accumulated amortisation . . . . .	(3,831)
Net carrying amount . . . . .	3,299
<b>30 June 2025</b>	
Cost at 1 January 2025, net of accumulated amortisation . . . . .	3,299
Additions . . . . .	253
Amortisation provided during the period ( <i>note 6</i> ) . . . . .	(1,776)
At 30 June 2025, net of accumulated amortisation . . . . .	1,776
At 30 June 2025:	
Cost . . . . .	7,383
Accumulated amortisation . . . . .	(5,607)
Net carrying amount . . . . .	1,776

## 16. INVENTORIES

## The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials . . . . .	27	742	794	800
Work in progress . . . . .	–	505	8	8
Finished goods . . . . .	2,014	3,323	3,510	2,437
Total . . . . .	2,041	4,570	4,312	3,245

## The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials . . . . .	23	742	628	617
Finished goods . . . . .	3,260	7,517	1,309	919
Total . . . . .	3,283	8,259	1,937	1,536

## 17. CONTRACT COSTS

## The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Costs to fulfil contracts . . . . .	76,566	49,039	6,018	12,993

## The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Costs to fulfil contracts . . . . .	76,566	48,673	3,888	2,296

## 18. TRADE AND BILLS RECEIVABLES

## The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables . . . . .	198,180	352,951	539,565	545,433
Bills receivable . . . . .	6,240	200	1,411	2,881
	204,420	353,151	540,976	548,314
Impairment . . . . .	(21,764)	(49,857)	(65,172)	(70,610)
Net carrying amount . . . . .	182,656	303,294	475,804	477,704

The Group's trading terms with its customers are mainly on credit. The credit terms granted generally ranged from one to twelve months, depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year. . . . .	161,725	232,878	375,139	358,214
1 to 2 years. . . . .	14,667	59,194	71,018	94,521
2 to 3 years. . . . .	24	11,022	25,693	4,762
3 to 4 years. . . . .	–	–	2,543	17,326
Total . . . . .	176,416	303,094	474,393	474,823

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period . . . . .	6,717	21,764	49,857	65,172
Impairment losses, net . . . . .	15,047	28,093	15,315	9,566
Amount written off as uncollectible . . . . .	–	–	–	(4,128)
At end of year/period . . . . .	21,764	49,857	65,172	70,610

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions. Trade receivables for which the counterparties failed to make the demanded repayments are defaulted receivables. The Group has provided for 100% of the defaulted receivables during the Relevant Periods.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2022

	Within 1 year	1 to 2 years	2 to 3 years	Total
Expected credit loss rate . . . . .	9.96%	20.83%	38.46%	10.98%
Gross carrying amount (RMB'000) .	179,616	18,525	39	198,180
Expected credit losses (RMB'000) . .	17,891	3,858	15	21,764

As at 31 December 2023

	Within 1 year	1 to 2 years	2 to 3 years	Total
Expected credit loss rate . . . . .	10.56%	22.38%	32.43%	14.13%
Gross carrying amount (RMB'000) .	260,373	76,266	16,312	352,951
Expected credit losses (RMB'000) . .	27,495	17,072	5,290	49,857

As at 31 December 2024

	Defaulted receivables	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total
Expected credit loss rate . . . . .	100.00%	6.10%	18.85%	38.39%	62.10%	12.08%
Gross carrying amount (RMB'000).	4,128	399,508	87,515	41,705	6,709	539,565
Expected credit losses (RMB'000). . . . .	4,128	24,369	16,497	16,012	4,166	65,172

As at 30 June 2025

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total
Expected credit loss rate . .	6.26%	19.53%	47.76%	52.79%	12.95%
Gross carrying amount (RMB'000). . . . .	382,154	117,461	9,116	36,702	545,433
Expected credit losses (RMB'000). . . . .	23,940	22,940	4,354	19,376	70,610

The Group's bills receivable were all aged within one year and were neither past due nor impaired.

As at the end of each of the Relevant Periods, the Group endorsed certain bills receivable accepted by certain banks in Mainland China (the "Endorsed Bills") to certain of its suppliers in order to settle the trade and other payables due to such suppliers with carrying amounts in aggregate of RMB1,770,000, nil, nil and RMB2,041,000 respectively (the "Endorsement"). In addition, the Group discounted certain bills receivable accepted by banks in Mainland China (the "Discounted Bills") to banks to finance its operating cash flows with carrying amounts in aggregate of nil, nil, RMB2,119,000 and nil, respectively (the "Discount"). The Endorsed Bills and the Discounted Bills had a maturity from one to twelve months as at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments, the holders of the Endorsed Bills have a right of recourse against the Group if the acceptor defaults (the "Continuing Involvement").



In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to certain Endorsed Bills with amounts of RMB300,000, nil, nil and nil and certain Discounted Bills with amounts of nil, nil, RMB2,119,000 and nil, respectively, accepted by large and reputable banks as at the end of each of the Relevant Periods, respectively (the “Derecognised Bills”). Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

For the rest of the Endorsed Bills and the Discounted Bills, the directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills and the Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the Discounted Bills. Subsequent to the Endorsement or the Discount, the Group did not retain any rights on the use of the Endorsed Bills or the Discount, including the sale, transfer or pledge of the Endorsed Bills or the Discount to any other third parties. As at the end of each of the Relevant Periods, the aggregate carrying amounts of the trade and other payables settled by such Endorsed Bills to which the suppliers have recourse were RMB1,470,000, nil, nil and RMB2,041,000, and the aggregate carrying amounts financed by such Discounted Bills to which the banks have recourse were nil, nil, nil and nil.

### The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables . . . . .	172,464	319,561	435,667	440,277
Bills receivable . . . . .	6,240	200	1,411	1,933
	178,704	319,761	437,078	442,210
Impairment . . . . .	(19,099)	(43,753)	(51,670)	(53,639)
Net carrying amount . . . . .	159,605	276,008	385,408	388,571

Included in the Company’s trade receivables were amounts due from subsidiaries of RMB142,000, nil, nil and nil at the end of each of the Relevant Periods (note 32(b)), which are repayable on credit terms similar to those offered to the external customers of the Group.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year. . . . .	139,475	221,994	304,048	281,413
1 to 2 years. . . . .	13,866	43,471	62,119	94,387
2 to 3 years. . . . .	24	10,343	15,684	1,047
3 to 4 years. . . . .	–	–	2,146	9,791
Total . . . . .	153,365	275,808	383,997	386,638

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period . . . . .	6,369	19,099	43,753	51,670
Impairment losses, net . . . . .	12,730	24,654	7,917	6,097
Amount written off as uncollectible . . . . .	—	—	—	(4,128)
At end of year/period . . . . .	19,099	43,753	51,670	53,639

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions. Trade receivables for which the counterparties failed to make the demanded repayments are defaulted receivables. The Group has provided for 100% of the defaulted receivables during the Relevant Periods.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

As at 31 December 2022

	Within 1 year	1 to 2 years	2 to 3 years	Total
Expected credit loss rate . . . . .	9.96%	20.86%	38.46%	11.07%
Gross carrying amount (RMB'000) . . . . .	154,904	17,521	39	172,464
Expected credit losses (RMB'000) . . . . .	15,429	3,655	15	19,099

As at 31 December 2023

	Within 1 year	1 to 2 years	2 to 3 years	Total
Expected credit loss rate . . . . .	10.56%	22.44%	32.43%	13.69%
Gross carrying amount (RMB'000) . . . . .	248,205	56,048	15,308	319,561
Expected credit losses (RMB'000) . . . . .	26,211	12,577	4,965	43,753

As at 31 December 2024

	Defaulted receivables	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total
Expected credit loss rate . . . . .	100.00%	6.10%	18.85%	38.46%	62.38%	11.86%
Gross carrying amount (RMB'000) . . . . .	4,128	323,800	76,548	25,486	5,705	435,667
Expected credit losses (RMB'000) . . . . .	4,128	19,752	14,429	9,802	3,559	51,670

As at 30 June 2025

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	Total
Expected credit loss rate . . . . .	6.27%	19.53%	47.33%	52.83%	12.18%
Gross carrying amount (RMB'000) . . . . .	300,239	117,294	1,988	20,756	440,277
Expected credit losses (RMB'000) . . . . .	18,826	22,907	941	10,965	53,639

## 19. CONTRACT ASSETS

## The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract assets . . . . .	3,989	3,957	31,170	32,728
Impairment . . . . .	(381)	(419)	(1,901)	(2,051)
Net carrying amount . . . . .	3,608	3,538	29,269	30,677

Contract assets represent retention receivables in relation to sales of software, provision of software and hardware integrated solutions and technology services. Upon expiration of the warranty, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets was the result of the increase in the ongoing sales of software, provision of software and hardware integrated solutions and technology services at the end of each of the Relevant Periods.

The expected timing of recovery or settlement for contract assets as at the end of each of the Relevant Periods is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year . . . . .	813	310	2,550	3,025
After one year . . . . .	2,795	3,228	26,719	27,652
Total contract assets . . . . .	3,608	3,538	29,269	30,677

The movements in the loss allowance for impairment of contract assets are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period . . . . .	102	381	419	1,901
Impairment losses, net . . . . .	279	38	1,482	150
At end of year/period . . . . .	381	419	1,901	2,051

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
Expected credit loss rate . . . . .	9.55%	10.59%	6.10%	6.27%
Gross carrying amount (RMB'000) . . . . .	3,989	3,957	31,170	32,728
Expected credit losses (RMB'000) . . . . .	381	419	1,901	2,051

#### The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets . . . . .	3,822	3,957	31,170	32,728
Impairment . . . . .	(381)	(419)	(1,901)	(2,051)
Net carrying amount . . . . .	3,441	3,538	29,269	30,677

Contract assets represent retention receivables in relation to sales of software, provision of software and hardware integrated solutions and technology services. Upon expiration of the warranty, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets was the result of the increase in the ongoing sales of software, provision of software and hardware integrated solutions and technology services at the end of each of the Relevant Periods.

The expected timing of recovery or settlement for contract assets as at the end of each of the Relevant Periods is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year . . . . .	646	310	2,550	3,025
After one year . . . . .	2,795	3,228	26,719	27,652
Total contract assets . . . . .	3,441	3,538	29,269	30,677

The movements in the loss allowance for impairment of contract assets are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year/period . . . . .	102	381	419	1,901
Impairment losses, net . . . . .	279	38	1,482	150
At end of year/period . . . . .	381	419	1,901	2,051

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each reporting period about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Company's contract assets using a provision matrix:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
Expected credit loss rate . . . . .	9.97%	10.59%	6.10%	6.27%
Gross carrying amount (RMB'000) .	3,822	3,957	31,170	32,728
Expected credit losses (RMB'000) .	381	419	1,901	2,051

## 20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

### The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Current</b>				
Prepayments . . . . .	25,363	48,352	29,856	36,029
Deposits and other receivables . . .	7,875	7,525	7,490	7,742
Deductible input value-added tax . .	12,930	9,091	12,484	11,211
Deferred listing expenses . . . . .	–	–	1,934	2,190
Prepaid income tax . . . . .	2,183	–	–	251
	48,351	64,968	51,764	57,423
Impairment allowance . . . . .	(115)	(551)	(3,032)	(3,535)
Total . . . . .	48,236	64,417	48,732	53,888
<b>Non-current</b>				
Deposits and other receivables . . . .	83	253	250	650

An impairment analysis was performed at the end of each of the Relevant Periods. The Group has applied the general approach to provide for expected credit losses for other receivables under HKFRS 9. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period . . . . .	844	115	551	3,032
Impairment losses/(reversal of impairment losses), net . . . . .	(31)	436	2,640	503
Amount written off as uncollectible .	(698)	–	(159)	–
At end of year/period . . . . .	115	551	3,032	3,535

## The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Current</b>				
Prepayments . . . . .	10,634	32,663	27,698	25,277
Deposits and other receivables . . . .	16,995	5,378	60,542	119,553
Deductible input value-added tax . .	12,462	7,265	2,243	1,743
Deferred listing expenses . . . . .	–	–	1,934	2,190
	40,091	45,306	92,417	148,763
Impairment allowance . . . . .	(85)	(506)	(2,977)	(2,917)
Total . . . . .	40,006	44,800	89,440	145,846
<b>Non-current</b>				
Deposits and other receivables . . . .	33	88	55	455

Included in the Company's prepayments, other receivables and other assets were prepayments to a subsidiary of RMB7,844,000, nil, nil and nil, and other receivables from subsidiaries of RMB1,390,000, RMB452,000, RMB57,084,000 and RMB115,986,000 at the end of each of the Relevant Periods (note 32(b)).

An impairment analysis was performed at the end of each of the Relevant Periods. The Company has applied the general approach to provide for expected credit losses for other receivables under HKFRS 9. The Company considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period . . . . .	818	85	506	2,977
Impairment losses/(reversal of impairment losses), net . . . . .	(35)	421	2,509	(60)
Amount written off as uncollectible .	(698)	–	(38)	–
At end of year/period . . . . .	85	506	2,977	2,917

## 21. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

## The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances . . . . .	138,455	84,539	169,135	340,698
Less: Pledged deposits:				
Pledged for letters of guarantee . .	–	–	(325)	(960)
Pledged for a bill payable. . . . .	–	–	(1,478)	(1,917)
Cash and cash equivalents . . . . .	<u>138,455</u>	<u>84,539</u>	<u>167,332</u>	<u>337,821</u>
Denominated in:				
RMB . . . . .	138,455	84,539	167,315	337,820
United States dollar . . . . .	<u>–</u>	<u>–</u>	<u>17</u>	<u>1</u>

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

## The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances . . . . .	120,224	52,893	132,028	192,212
Less: Pledged deposits:				
Pledged for letters of guarantee . .	–	–	(325)	(960)
Pledged for a bill payable. . . . .	–	–	(1,478)	(1,917)
Cash and cash equivalents . . . . .	<u>120,224</u>	<u>52,893</u>	<u>130,225</u>	<u>189,335</u>
Denominated in:				
RMB . . . . .	<u>120,224</u>	<u>52,893</u>	<u>130,225</u>	<u>189,335</u>

## 22. TRADE AND BILL PAYABLES

## The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables . . . . .	104,097	27,985	49,320	119,923
Bill payable. . . . .	—	—	4,928	6,388
Total . . . . .	104,097	27,985	54,248	126,311

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months . . . . .	64,215	1,184	28,577	88,825
3 to 12 months . . . . .	19,492	3,655	459	10,392
Over 1 year . . . . .	20,390	23,146	20,284	20,706
Total . . . . .	104,097	27,985	49,320	119,923

The trade payables are non-interest-bearing and have no fixed terms of payment. The maturity of the bill payable is within six months.

## The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables . . . . .	93,267	66,516	58,153	145,265
Bill payable. . . . .	—	—	4,928	6,388
Total . . . . .	93,267	66,516	63,081	151,653

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months . . . . .	64,023	43,917	41,884	102,594
3 to 12 months . . . . .	15,992	2,378	438	26,410
Over 1 year . . . . .	13,252	20,221	15,831	16,261
Total . . . . .	93,267	66,516	58,153	145,265

The trade payables are non-interest-bearing and have no fixed terms of payment. The maturity of the bill payable is within six months.

Included in the Company's trade payables were amounts due to subsidiaries of RMB27,000, RMB43,112,000, RMB14,281,000 and RMB36,188,000 at the end of each of the Relevant Periods (note 32(b)).



## 23. OTHER PAYABLES AND ACCRUALS

## The Group

	Notes	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Payroll payable . . . . .		2,080	3,549	4,862	2,942
Contract liabilities . . . . .	(a)	–	1,793	13,249	3,741
Other payables . . . . .	(b)	6,543	3,538	7,278	6,378
Taxes payable other than income tax . . . . .		1,104	3,064	14,629	635
Total . . . . .		9,727	11,944	40,018	13,696

Notes:

(a) Details of contract liabilities are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Short-term advances received from customers</i>				
Provision of software and hardware integrated solutions . .	–	142	888	3,045
Technology services . . . . .	–	1,651	12,361	696
Total . . . . .	–	1,793	13,249	3,741

Contract liabilities include short-term advances received to deliver software and hardware integrated solutions and technology services. The increases in contract liabilities as of 31 December 2023 and 31 December 2024 were mainly due to the increase in short-term advances received from customers in relation to the provision of software and hardware integrated solutions and technology services as at 31 December 2023 and 31 December 2024. The decrease in contract liabilities as of 30 June 2025 was mainly due to the decrease in short-term advances received from customers in relation to technology services as at 30 June 2025.

- (b) Other payables are unsecured, non-interest-bearing and repayable on demand.

#### The Company

	<i>Notes</i>	As at 31 December			As at 30 June
		2022	2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Payroll payable . . . . .		1,269	2,261	3,278	2,261
Contract liabilities . . . . .	(a)	–	1,793	12,762	453
Other payables . . . . .	(b)	7,999	3,503	34,837	16,714
Taxes payable other than income tax . . . . .		90	110	9,364	415
Total . . . . .		9,358	7,667	60,241	19,843

Included in the Company's other payables and accruals were other payables to a subsidiary of RMB1,456,000, nil, RMB29,600,000 and RMB12,654,000 at the end of each of the Relevant Periods (note 32(b)).

#### Notes:

- (a) Details of contract liabilities are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<i>Short-term advances received from customers</i>				
Provision of software and hardware integrated solutions . .	–	142	401	10
Technology services . . . . .	–	1,651	12,361	443
	–	1,793	12,762	453

Contract liabilities include short-term advances received to deliver software and hardware integrated solutions and technology services. The increases in contract liabilities as of 31 December 2023 and 31 December 2024 were mainly due to the increase in short-term advances received from customers in relation to the provision of software and hardware integrated solutions and technology services as at 31 December 2023 and 31 December 2024. The decrease in contract liabilities as of 30 June 2025 was mainly due to the decrease in short-term advances received from customers in relation to the technology services as at 30 June 2025.

- (b) Other payables are unsecured, non-interest-bearing and repayable on demand.

## 24. INTEREST-BEARING BANK LOANS

## The Group

	Effective interest rate (%)	Maturity	As at 31 December 2022 RMB'000	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 30 June 2025 RMB'000
<b>Current</b>						
Bank loans –						
secured . . . . .	2.11-4.25	Within 1 year	30,194	79,500	90,000	140,500
Bank loans –						
unsecured . . . . .	2.35-2.4	Within 1 year	–	–	–	30,000
Total-current . . . . .			30,194	79,500	90,000	170,500
<b>Non-current</b>						
Bank loans –						
secured . . . . .	2.17-3.95	2026	–	10,000	–	9,500
Total . . . . .			30,194	89,500	90,000	180,000
Analysed into:						
Bank loans						
repayable:						
Within one						
year . . . . .			30,194	79,500	90,000	170,500
In the second						
year . . . . .			–	–	–	9,500
In the third to						
fifth years . . .			–	10,000	–	–
Total . . . . .			30,194	89,500	90,000	180,000

The Company's executive director, Mr. Liao Yu, and his spouse have guaranteed the Group's secured bank loans amounting to RMB30,194,000, RMB89,500,000, RMB90,000,000 and RMB140,000,000 as at the end of each of the Relevant Periods (note 32(a)). The Group intends to release the aforementioned guarantees prior to the listing. In the event that such guarantees cannot be released prior to the listing pursuant to their respective terms and conditions, the Group will repay the bank loans underlying those guarantees. A third party has guaranteed the Group's secured bank loan amounting to RMB10,000,000 as at 30 June 2025. In addition, the current portion of bank loans amounting to RMB5,000,000 was also secured by the pledge of a patent of the Group as at 31 December 2023.

## The Company

	Effective interest rate (%)	Maturity	As at 31 December 2022 RMB'000	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	As at 30 June 2025 RMB'000
<b>Current</b>						
Bank loans –						
secured . . . . .	2.11-4.25	Within 1 year	30,194	50,000	60,000	120,000
Bank loans –						
unsecured . . . . .	2.4	Within 1 year	–	–	–	20,000
Total . . . . .			30,194	50,000	60,000	140,000

The Company's executive director, Mr. Liao Yu, and his spouse have guaranteed the Company's secured bank loans amounting to RMB30,194,000, RMB50,000,000, RMB60,000,000 and RMB110,000,000 as at the end of each of the Relevant Periods. A third party has guaranteed the Company's secured bank loan amounting to RMB10,000,000 as at 30 June 2025. In addition, bank loans amounting to RMB5,000,000 were also secured by the pledge of a patent of the Company as at 31 December 2023.

## 25. DEFERRED INCOME

Deferred income represents government grants that were related to the subsidies received from the local governments to support the Group's research and development activities with conditions to fulfil. The grants will be recognised in profit or loss on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

## 26. DEFERRED TAX

**The Group**

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Impairment of financial and contract assets	Impairment of inventories	Accruals	Unrealised profits from inter-company transactions	Lease liabilities	Deferred income	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022 . . . . .	1,148	120	1,772	–	329	–	3,369
Deferred tax credited to profit or loss during the year (note 10) . .	2,058	30	1,964	241	195	56	4,544
At 31 December 2022 and 1 January 2023 . . . . .	3,206	150	3,736	241	524	56	7,913
Deferred tax credited/(charged) to profit or loss during the year (note 10) . . . . .	4,276	(22)	(219)	445	300	(56)	4,724
At 31 December 2023 and 1 January 2024 . . . . .	7,482	128	3,517	686	824	–	12,637
Deferred tax credited/(charged) to profit or loss during the period (note 10) . . . . .	3,011	–	59	(662)	142	–	2,550
At 31 December 2024 and 1 January 2025 . . . . .	10,493	128	3,576	24	966	–	15,187
Deferred tax credited/(charged) to profit or loss during the period (note 10) . . . . .	899	–	165	(24)	(230)	–	810
At 30 June 2025 . . . . .	11,392	128	3,741	–	736	–	15,997

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2022 . . . . .	344
Deferred tax charged to profit or loss during the year (note 10) . . . . .	208
At 31 December 2022 and 1 January 2023 . . . . .	552
Deferred tax charged to profit or loss during the year (note 10) . . . . .	337
At 31 December 2023 and 1 January 2024 . . . . .	889
Deferred tax charged to profit or loss during the year (note 10) . . . . .	382
At 31 December 2024 and 1 January 2025 . . . . .	1,271
Deferred tax credited to profit or loss during the period (note 10) . . . . .	(493)
At 30 June 2025 . . . . .	778

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position . . . . .	7,361	11,748	13,916	15,219

The Group has tax losses arising in Mainland China of nil, RMB5,700,000, RMB8,284,000 and RMB13,844,000 as at the end of each of the Relevant Periods, respectively, that will expire in three to five years for offsetting against future taxable profits.

The Group has deductible temporary differences of RMB6,476,000, RMB1,296,000, RMB616,000 and RMB616,000 as at the end of each of the Relevant Periods, respectively.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as it is not considered probable that taxable profits will be available against which the tax losses and deductible temporary differences can be utilised.

### The Company

#### Deferred tax assets

	Impairment of financial and contract assets	Impairment of inventories	Lease liabilities	Accruals	Deferred income	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022 . . . . .	1,093	120	–	1,655	–	2,868
Deferred tax credited to profit or loss during the year . . . . .	1,840	–	274	794	56	2,964
At 31 December 2022 and 1 January 2023 . . . . .	2,933	120	274	2,449	56	5,832
Deferred tax credited/(charged) to profit or loss during the year . . . . .	3,769	(18)	24	(71)	(56)	3,648
At 31 December 2023 and 1 January 2024 . . . . .	6,702	102	298	2,378	–	9,480
Deferred tax credited to profit or loss during the year . . . . .	1,781	–	71	208	–	2,060
At 31 December 2024 and 1 January 2025 . . . . .	8,483	102	369	2,586	–	11,540
Deferred tax credited/(charged) to profit or loss during the period . . . . .	309	–	(100)	164	–	373
At 30 June 2025. . . . .	8,792	102	269	2,750	–	11,913

Deferred tax liabilities

	<b>Right-of-use assets</b>
	<i>RMB'000</i>
At 1 January 2022 . . . . .	–
Deferred tax charged to profit or loss during the year . . . . .	287
At 31 December 2022 and 1 January 2023 . . . . .	287
Deferred tax charged to profit or loss during the year . . . . .	22
At 31 December 2023 and 1 January 2024 . . . . .	309
Deferred tax charged to profit or loss during the year . . . . .	157
At 31 December 2024 and 1 January 2025 . . . . .	466
Deferred tax credited to profit or loss during the period . . . . .	(128)
At 30 June 2025 . . . . .	338

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	<b>As at 31 December</b>			<b>As at 30 June</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the statement of financial position . . . . .	5,545	9,171	11,074	11,575

**27. REDEMPTION LIABILITIES ON OWNERS' CAPITAL****The Group and the Company**

On 25 November 2019, the then owners of the Company entered into a capital injection agreement (the “Series A Agreement”) with the investors (the “Series A Investors”), pursuant to which the Series A Investors agreed to subscribe the increased registered capital of the Company of RMB693,368 at an aggregate consideration of RMB30,000,000.

The Series A Investors were granted redemption rights which are outlined below:

Pursuant to the Series A Agreement, series A capital contribution shall be redeemable by certain then owners or/and the Company upon the occurrence of certain contingent events which cannot be controlled by the Company, including (i) the Series A Investors not being able to exit through a qualified public offering of the Company or transferring capital to a listed company which acquires the Company in five years, or (ii) the audited total revenue of the Company for the next two years meeting the performance targets (the performance period was later extended through a supplementary agreement). The price at which the capital of series A contribution is redeemed shall be an amount that would give holders of series A a twelve percent internal return rate for their investments in the Company plus all accrued but unpaid dividends.

The redemption obligations give rise to financial liabilities, which are measured at the net present value of the redemption amount. The movements of redemption liabilities during the year ended 2022 are set out below:

	Series A
	<i>RMB'000</i>
At 1 January 2022. . . . .	37,390
Interest charge . . . . .	680
Termination of redemption rights ( <i>note</i> ) . . . . .	(38,070)
At 31 December 2022 . . . . .	—

*Note:* In March 2022, a series B capital injection agreement was signed by the investors, the Company and all existing owners, pursuant to which the obligation of the Company with regard to the redemption rights of holders of Series A were terminated. Accordingly, the carrying amount of redemption liabilities was derecognised upon the termination of the term.

## 28. SHARE CAPITAL/PAID-IN CAPITAL

### The Group and the Company

#### Share capital

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Authorised:				
Ordinary shares with par value of				
RMB1.00 each . . . . .	32,000	32,000	34,080	34,080
Issued and fully paid:				
Ordinary shares with par value of				
RMB1.00 each . . . . .	32,000	32,000	34,080	34,080

A summary of movements in the Company's share capital is as follows:

	Number of ordinary shares	Share capital
		<i>RMB'000</i>
At 1 January 2022. . . . .	—	—
Issue of ordinary shares upon conversion into a joint stock company ( <i>note (b)</i> ) . . . . .	30,000,000	30,000
Issue of ordinary shares ( <i>note (c)</i> ) . . . . .	2,000,000	2,000
At 31 December 2022, 1 January 2023, 31 December 2023 and 1 January 2024 . . . . .	32,000,000	32,000
Issue of ordinary shares ( <i>note (d)</i> ) . . . . .	2,080,000	2,080
At 31 December 2024, 1 January 2025 and 30 June 2025 . . .	34,080,000	34,080

Paid-in capital

	<u>Paid-in capital</u>
	<i>RMB'000</i>
At 1 January 2022. . . . .	5,778
Capital contribution from shareholders ( <i>note (a)</i> ). . . . .	963
Conversion into a joint stock company ( <i>note (b)</i> ). . . . .	(6,741)
At 31 December 2022 . . . . .	—

Notes:

- (a) In March and April 2022, the Company entered into capital injection agreements with shareholders, pursuant to which total capital of RMB95,000,000 was injected into the Company, with approximately RMB963,000 and RMB94,037,000 credited to the Company's paid-in capital and capital reserves, respectively. The consideration was fully paid in cash by May 2022.
- (b) In December 2022, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including paid-in capital, capital reserves and accumulated losses, amounting to approximately RMB131,723,000 were converted into 30,000,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserves.
- (c) In December 2022, the Company entered into a capital injection agreement with shareholders, pursuant to which total capital of RMB100,000,000 was injected into the Company with RMB2,000,000 and RMB98,000,000 credited to the Company's share capital and capital reserves, respectively. The consideration was fully paid in cash in December 2022.
- (d) In March and June 2024, the Company entered into capital injection agreements with shareholders, pursuant to which total capital of RMB130,000,000 was injected into the Company with RMB2,080,000 and RMB127,920,000 credited to the Company's share capital and capital reserves, respectively. The consideration was fully paid in cash by June 2024.

**29. RESERVES****The Group**

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Group.

Capital reserves

Capital reserves of the Group represent the share premium contributed by the shareholders of the Company, the impacts on equity upon recognition and termination of redemption liabilities on series A owners' capital as stipulated in note 27 and the share-based payment reserve for share-based payment arrangement occurred before the beginning of the Relevant Periods.

Statutory surplus reserve

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which is a domestic enterprise is required to allocate 10% of its profit after tax, as determined in accordance with the relevant PRC accounting standards, to its statutory surplus reserve until the reserve reaches 50% of its registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to registered capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.



**The Company**

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as below:

	Capital reserves	Statutory surplus reserve	(Accumulated losses)/retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022. . . . .	39,614	—	(53,247)	(13,633)
Profit and total comprehensive income for the year . . . . .	—	—	70,488	70,488
Capital contribution from shareholders before conversion into a joint stock company . . . . .	94,037	—	—	94,037
Conversion into a joint stock company . . . . .	(61,327)	—	38,068	(23,259)
Capital contribution from shareholders after conversion into a joint stock company . . . . .	98,000	—	—	98,000
Share issue expenses . . . . .	(3,826)	—	—	(3,826)
Transfer to statutory surplus reserve. . . . .	—	5,531	(5,531)	—
Dividends paid to shareholders . . . . .	—	—	(6,000)	(6,000)
Termination of redemption liabilities on series A owner's capital . . . . .	38,070	—	—	38,070
At 31 December 2022 and 1 January 2023 . . . . .	204,568	5,531	43,778	253,877
Profit and total comprehensive income for the year . . . . .	—	—	50,663	50,663
Transfer to statutory surplus reserve . . . . .	—	5,066	(5,066)	—
At 31 December 2023 and 1 January 2024 . . . . .	204,568	10,597	89,375	304,540
Profit and total comprehensive income for the year . . . . .	—	—	54,653	54,653
Issue of shares . . . . .	127,920	—	—	127,920
Transfer to statutory surplus reserve . . . . .	—	5,465	(5,465)	—
Share issue expenses . . . . .	(3,914)	—	—	(3,914)
At 31 December 2024 and 1 January 2025 . . . . .	328,574	16,062	138,563	483,199
Profit and total comprehensive income for the period . . . . .	—	—	38,253	38,253
At 30 June 2025 . . . . .	328,574	16,062	176,816	521,452

**30. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS****(a) Major non-cash transactions**

During the Relevant Periods, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,403,000, RMB3,547,000, RMB5,321,000 and nil, respectively, in respect of lease arrangements for office premises.

**(b) Changes in liabilities arising from financing activities**

	Bank loans	Lease liabilities
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022. . . . .	–	2,193
New leases . . . . .	–	2,403
Changes from financing cash flows . . . . .	29,536	(1,041)
Interest expense . . . . .	658	99
At 31 December 2022 and 1 January 2023. . . . .	30,194	3,654
New leases . . . . .	–	3,547
Changes from financing cash flows . . . . .	57,169	(1,885)
Interest expense . . . . .	2,137	178
At 31 December 2023 and 1 January 2024. . . . .	89,500	5,494
New leases . . . . .	–	5,321
Changes from financing cash flows . . . . .	(2,680)	(3,165)
Reduction as a result of lease termination . . . . .	–	(2,300)
Interest expense . . . . .	3,180	235
At 31 December 2024 and 1 January 2025. . . . .	90,000	5,585
Changes from financing cash flows . . . . .	88,282	(1,196)
Reduction as a result of lease termination . . . . .	–	(407)
Interest expense . . . . .	1,718	99
At 30 June 2025 . . . . .	180,000	4,081
1 January 2024 . . . . .	89,500	5,494
New leases (unaudited) . . . . .	–	5,321
Changes from financing cash flows (unaudited) . . . . .	(1,680)	(1,474)
Reduction as a result of lease termination (unaudited). . . . .	–	(2,300)
Interest expense (unaudited) . . . . .	1,569	124
At 30 June 2024 (unaudited) . . . . .	89,389	7,165

**(c) Total cash outflow for leases**

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Within operating activities. . .	98	281	101	71	64
Within financing activities. . .	1,041	1,885	3,165	1,474	1,196
Total . . . . .	1,139	2,166	3,266	1,545	1,260

**31. COMMITMENTS**

At the end of each of the Relevant Periods, the Group did not have any significant contractual commitments.

**32. RELATED PARTY TRANSACTIONS**

- (a) The Group had the following transactions with related parties during the Relevant Periods:

The Company's executive director, Mr. Liao Yu, and his spouse have guaranteed the Group's secured bank loans amounting to RMB30,194,000, RMB89,500,000, RMB90,000,000 and RMB140,000,000 as at the end of each of the Relevant Periods (note 24). The Group intends to release the guarantees prior to the listing of the Company.

- (b) Outstanding balances with related parties:

**The Group**

The Group had no outstanding balances with related parties as at the end of each of the Relevant Periods.

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Trade receivables</u>				
Zhonggui Railway . . . . .	142	—	—	—
<u>Prepayments</u>				
Zhonggui Railway . . . . .	7,844	—	—	—
<u>Other receivables</u>				
Zhonggui Railway* . . . . .	—	52	—	108,402
Zhongzhou Chuangzhi* . . . . .	400	400	400	400
Youjia Dongsheng* . . . . .	990	—	—	—
Nuobikan Chongqing* . . . . .	—	—	56,684	7,184
Total . . . . .	1,390	452	57,084	115,986
<u>Trade payables</u>				
Zhonggui Railway . . . . .	—	43,085	14,281	36,188
Zhongzhou Chuangzhi . . . . .	27	27	—	—
Total . . . . .	27	43,112	14,281	36,188
<u>Other payables</u>				
Zhonggui Railway* . . . . .	1,456	—	29,600	—
Youjia Dongsheng* . . . . .	—	—	—	6,000
Nuobikan Chongqing . . . . .	—	—	—	6,654
Total . . . . .	1,456	—	29,600	12,654

\* The balances were non-trade in nature, and were unsecured, interest-free and have no fixed terms of repayment.

Other outstanding balances with subsidiaries were all trade in nature. Details of the Company's trade balances with subsidiaries are disclosed in notes 18, 20, 22 and 23 to the Historical Financial Information.

## (c) Compensation of key management personnel of the Group:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, bonuses, allowances and benefits in kind . . . . .	2,838	3,753	4,729	2,179	1,997
Pension scheme contributions . . . . .	52	57	58	29	24
Total compensation paid to key management personnel . . . . .	<u>2,890</u>	<u>3,810</u>	<u>4,787</u>	<u>2,208</u>	<u>2,021</u>

Further details of directors', chief executive's and supervisors' emoluments are included in note 8 to the Historical Financial Information.

## (d) Redemption right of the Pre-IPO Investors granted by the Redemption Obligators as defined in Prospectus:

The Pre-IPO Investors in Series B financing, Series C financing, Series D financing and Series D+ financing had been granted the redemption right by the Redemption Obligators. The Company is not a party of Redemption Obligators. Pursuant to a supplemental agreement entered into by the Company and its then existing shareholders in November 2024, the redemption right was terminated on the day immediately preceding the date on which the Company filed its listing application, and shall only resume to be exercisable upon the withdrawal of the listing application by the Company or rejection of the listing application by the Stock Exchange.

The Company has not provided any form of guarantee in connection with any potential default or failure by the Redemption Obligators to fulfill their obligations relating to the redemption right. Accordingly, no financial liability regarding redemption right granted by the Redemption Obligators was recorded during the Relevant Periods.

## 33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

**The Group**

31 December 2022

Financial assets

	<b>Financial assets at amortised cost</b>
	<i>RMB'000</i>
Trade and bills receivables . . . . .	182,656
Financial assets included in prepayments, other receivables and other assets . . . . .	7,808
Cash and cash equivalents . . . . .	138,455
Total . . . . .	<u>328,919</u>

Financial liabilities

	<b>Financial liabilities at amortised cost</b>
	<i>RMB'000</i>
Trade payables . . . . .	104,097
Financial liabilities included in other payables and accruals . . . . .	6,543
Interest-bearing bank loans . . . . .	30,194
Lease liabilities . . . . .	3,654
Total . . . . .	<u>144,488</u>

31 December 2023

Financial assets

	Financial assets at amortised cost
	<i>RMB'000</i>
Trade and bills receivables . . . . .	303,294
Financial assets included in prepayments, other receivables and other assets . . . . .	7,099
Cash and cash equivalents . . . . .	84,539
Total . . . . .	394,932

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade payables . . . . .	27,985
Financial liabilities included in other payables and accruals . . . . .	3,538
Interest-bearing bank loans . . . . .	89,500
Lease liabilities . . . . .	5,494
Total . . . . .	126,517

31 December 2024

Financial assets

	Financial assets at amortised cost
	<i>RMB'000</i>
Trade and bills receivables . . . . .	475,804
Financial assets included in prepayments, other receivables and other assets . . . . .	4,571
Cash and cash equivalents . . . . .	167,332
Pledged deposits . . . . .	1,803
Total . . . . .	649,510

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade and bill payables . . . . .	54,248
Financial liabilities included in other payables and accruals . . . . .	7,278
Interest-bearing bank loans . . . . .	90,000
Lease liabilities . . . . .	5,585
Total . . . . .	157,111

30 June 2025

Financial assets

	Financial assets at amortised cost
	<i>RMB'000</i>
Trade and bills receivables . . . . .	477,704
Financial assets included in prepayments, other receivables and other assets . . . . .	4,857
Cash and cash equivalents . . . . .	337,821
Pledged deposits . . . . .	2,877
Total . . . . .	823,259

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade and bill payables . . . . .	126,311
Financial liabilities included in other payables and accruals . . . . .	6,378
Interest-bearing bank loans . . . . .	180,000
Lease liabilities . . . . .	4,081
Total . . . . .	316,770

**The Company**

31 December 2022

Financial assets

	Financial assets at amortised cost
	<i>RMB'000</i>
Trade and bills receivables . . . . .	159,605
Financial assets included in prepayments, other receivables and other assets . . . . .	16,908
Cash and cash equivalents . . . . .	120,224
Total . . . . .	296,737

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade payables . . . . .	93,267
Financial liabilities included in other payables and accruals . . . . .	7,999
Interest-bearing bank loans . . . . .	30,194
Lease liabilities . . . . .	1,825
Total . . . . .	133,285

31 December 2023

Financial assets

	Financial assets at amortised cost
	<i>RMB'000</i>
Trade and bills receivables . . . . .	276,008
Financial assets included in prepayments, other receivables and other assets . . . . .	4,838
Cash and cash equivalents . . . . .	52,893
Total . . . . .	333,739

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade payables . . . . .	66,516
Financial liabilities included in other payables and accruals . . . . .	3,503
Interest-bearing bank loans . . . . .	50,000
Lease liabilities . . . . .	1,986
Total . . . . .	122,005

31 December 2024

Financial assets

	Financial assets at amortised cost
	<i>RMB'000</i>
Trade and bills receivables . . . . .	385,408
Financial assets included in prepayments, other receivables and other assets . . . . .	57,491
Cash and cash equivalents . . . . .	130,225
Pledged deposits . . . . .	1,803
Total . . . . .	574,927

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade and bill payables . . . . .	63,081
Financial liabilities included in other payables and accruals . . . . .	34,837
Interest-bearing bank loans . . . . .	60,000
Lease liabilities . . . . .	2,460
Total . . . . .	160,378



30 June 2025

Financial assets

	<b>Financial assets at amortised cost</b>
	<i>RMB'000</i>
Trade and bills receivables . . . . .	388,571
Financial assets included in prepayments, other receivables and other assets . . . . .	117,091
Cash and cash equivalents . . . . .	189,335
Pledged deposits . . . . .	2,877
Total . . . . .	<u>697,874</u>

Financial liabilities

	<b>Financial liabilities at amortised cost</b>
	<i>RMB'000</i>
Trade and bill payables. . . . .	151,653
Financial liabilities included in other payables and accruals . . . . .	16,714
Interest-bearing bank loans . . . . .	140,000
Lease liabilities . . . . .	1,794
Total . . . . .	<u>310,161</u>

**34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, trade and bill payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank loans approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk were assessed to be insignificant.

The Group invests in time deposit and unlisted investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair values of these investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

**Fair value hierarchy**

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

***Liabilities for which fair values are disclosed:***

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank loans . . . . .	–	10,000	–	10,000

As at 30 June 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank loans . . . . .	–	9,500	–	9,500

**35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments comprise bank loans and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade and bill payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

**Credit risk**

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

*Maximum exposure and year-end staging*

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

**The Group**

31 December 2022

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . . . . .	–	–	–	198,180	198,180
Contract assets* . . . . .	–	–	–	3,989	3,989
Bills receivable					
– Normal** . . . . .	6,240	–	–	–	6,240
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	7,923	–	–	–	7,923
Cash and cash equivalents					
– Not yet past due . . . .	138,455	–	–	–	138,455
Total . . . . .	152,618	–	–	202,169	354,787

31 December 2023

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . . . . .	–	–	–	352,951	352,951
Contract assets* . . . . .	–	–	–	3,957	3,957
Bills receivable					
– Normal** . . . . .	200	–	–	–	200
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	4,829	–	–	–	4,829
– Doubtful** . . . . .	–	–	2,821	–	2,821
Cash and cash equivalents					
– Not yet past due . . . .	84,539	–	–	–	84,539
Total . . . . .	89,568	–	2,821	356,908	449,297

31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . . . . .	—	—	—	539,565	539,565
Contract assets* . . . . .	—	—	—	31,170	31,170
Bills receivable					
– Normal** . . . . .	1,411	—	—	—	1,411
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	4,703	—	—	—	4,703
– Doubtful** . . . . .	—	—	2,900	—	2,900
Cash and cash equivalents					
– Not yet past due . . . .	167,332	—	—	—	167,332
Pledged deposits					
– Not yet past due . . . .	1,803	—	—	—	1,803
Total . . . . .	<u>175,249</u>	<u>—</u>	<u>2,900</u>	<u>570,735</u>	<u>748,884</u>

30 June 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . . . . .	—	—	—	545,433	545,433
Contract assets* . . . . .	—	—	—	32,728	32,728
Bills receivable					
– Normal** . . . . .	2,881	—	—	—	2,881
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	4,857	—	—	—	4,857
– Doubtful** . . . . .	—	—	3,535	—	3,535
Cash and cash equivalents					
– Not yet past due . . . .	337,821	—	—	—	337,821
Pledged deposits					
– Not yet past due . . . .	2,877	—	—	—	2,877
Total . . . . .	<u>348,436</u>	<u>—</u>	<u>3,535</u>	<u>578,161</u>	<u>930,132</u>

\* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 18 and 19 to the Historical Financial Information, respectively.

\*\* The credit quality of bills receivable and financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 18 to the Historical Financial Information.

The Group trades with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. Since the Group trades with recognised and creditworthy entities, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. As at the end of each of the Relevant Periods, the Group had certain concentrations of credit risk as 10.5%, 35.5%, 23.9% and 19.3%, and 58.1%, 73.6%, 64.9% and 49.2% of the Group's trade receivables were due from the Group's largest customer and five largest customers in each period of the Relevant Periods, respectively.

### The Company

31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . . . . .	–	–	–	172,464	172,464
Contract assets* . . . . .	–	–	–	3,822	3,822
Bills receivable					
– Normal** . . . . .	6,240	–	–	–	6,240
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	16,993	–	–	–	16,993
Cash and cash equivalents					
– Not yet past due . . . . .	120,224	–	–	–	120,224
Total . . . . .	143,457	–	–	176,286	319,743

31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . . . . .	–	–	–	319,561	319,561
Contract assets* . . . . .	–	–	–	3,957	3,957
Bills receivable					
– Normal** . . . . .	200	–	–	–	200
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	2,523	–	–	–	2,523
– Doubtful** . . . . .	–	–	2,821	–	2,821
Cash and cash equivalents					
– Not yet past due . . . . .	52,893	–	–	–	52,893
Total . . . . .	55,616	–	2,821	323,518	381,955

31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . . . . .	–	–	–	435,667	435,667
Contract assets* . . . . .	–	–	–	31,170	31,170
Bills receivable					
– Normal** . . . . .	1,411	–	–	–	1,411
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	57,568	–	–	–	57,568
– Doubtful** . . . . .	–	–	2,900	–	2,900
Cash and cash equivalents					
– Not yet past due . . . .	130,225	–	–	–	130,225
Pledged deposits					
– Not yet past due . . . .	1,803	–	–	–	1,803
Total . . . . .	191,007	–	2,900	466,837	660,744

30 June 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . . . . .	–	–	–	440,277	440,277
Contract assets* . . . . .	–	–	–	32,728	32,728
Bills receivable					
– Normal** . . . . .	1,933	–	–	–	1,933
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	117,091	–	–	–	117,091
– Doubtful** . . . . .	–	–	2,917	–	2,917
Cash and cash equivalents					
– Not yet past due . . . .	189,335	–	–	–	189,335
Pledged deposits					
– Not yet past due . . . .	2,877	–	–	–	2,877
Total . . . . .	311,236	–	2,917	473,005	787,158

\* For trade receivables and contract assets to which the Company applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 18 and 19 to the Historical Financial Information, respectively.

\*\* The credit quality of bills receivable and financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Company’s exposure to credit risk arising from trade receivables are disclosed in note 18 to the Historical Financial Information.

**Liquidity risk**

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., trade receivables and other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and lease liabilities.

The maturity profile of the Group's and the Company's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

**The Group**

31 December 2022					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables . . . . .	104,097	–	–	–	104,097
Financial liabilities included in other payables and accruals . .	6,543	–	–	–	6,543
Interest-bearing bank loans . . . . .	–	10,283	20,175	–	30,458
Lease liabilities . . . . .	–	–	1,214	2,808	4,022
Total . . . . .	110,640	10,283	21,389	2,808	145,120
31 December 2023					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables . . . . .	27,985	–	–	–	27,985
Financial liabilities included in other payables and accruals . .	3,538	–	–	–	3,538
Interest-bearing bank loans . . . . .	–	20,907	60,860	10,492	92,259
Lease liabilities . . . . .	–	454	1,860	3,556	5,870
Total . . . . .	31,523	21,361	62,720	14,048	129,652
31 December 2024					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bill payables. . .	54,248	–	–	–	54,248
Financial liabilities included in other payables and accruals . .	7,278	–	–	–	7,278
Interest-bearing bank loans . . . . .	–	10,081	81,451	–	91,532
Lease liabilities . . . . .	–	561	2,419	2,838	5,818
Total . . . . .	61,526	10,642	83,870	2,838	158,876

## 30 June 2025

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bill payables. . .	126,311	—	—	—	126,311
Financial liabilities included in other payables and accruals . .	6,378	—	—	—	6,378
Interest-bearing bank loans . . . . .	—	50,596	121,763	10,071	182,430
Lease liabilities . . . . .	—	982	2,122	1,096	4,200
Total . . . . .	132,689	51,578	123,885	11,167	319,319

## The Company

## 31 December 2022

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables . . . . .	93,267	—	—	—	93,267
Financial liabilities included in other payables and accruals . .	7,999	—	—	—	7,999
Interest-bearing bank loans . . . . .	—	10,283	20,175	—	30,458
Lease liabilities . . . . .	—	—	444	1,586	2,030
Total . . . . .	101,266	10,283	20,619	1,586	133,754

## 31 December 2023

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables . . . . .	66,516	—	—	—	66,516
Financial liabilities included in other payables and accruals . .	3,503	—	—	—	3,503
Interest-bearing bank loans . . . . .	—	512	50,816	—	51,328
Lease liabilities . . . . .	—	68	648	1,414	2,130
Total . . . . .	70,019	580	51,464	1,414	123,477



31 December 2024					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bill payables. . .	63,081	–	–	–	63,081
Financial liabilities included in other payables and accruals . .	34,837	–	–	–	34,837
Interest-bearing bank loans . . . . .	–	56	61,229	–	61,285
Lease liabilities . . . . .	–	68	1,693	777	2,538
Total . . . . .	97,918	124	62,922	777	161,741
30 June 2025					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bill payables. . .	151,653	–	–	–	151,653
Financial liabilities included in other payables and accruals . .	16,714	–	–	–	16,714
Interest-bearing bank loans . . . . .	–	50,313	91,185	–	141,498
Lease liabilities . . . . .	–	969	791	54	1,814
Total . . . . .	168,367	51,282	91,976	54	311,679

### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is debt divided by total assets. Debt includes interest-bearing bank loans, lease liabilities, trade and bill payables and other payables and accruals. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank loans . . . . .	30,194	89,500	90,000	180,000
Lease liabilities . . . . .	3,654	5,494	5,585	4,081
Trade and bill payables. . . . .	104,097	27,985	54,248	126,311
Other payables and accruals. . . . .	9,727	11,944	40,018	13,696
Debt . . . . .	147,672	134,923	189,851	324,088
Total assets . . . . .	465,777	538,105	836,195	1,007,681
Gearing ratio . . . . .	31.7%	25.1%	22.7%	32.2%

### 36. INVESTMENTS IN SUBSIDIARIES

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Investments, at cost . . . . .	15,000	15,500	39,000	89,000

### 37. EVENTS AFTER THE RELEVANT PERIODS

There were no significant events that required additional disclosure or adjustments occurred after the end of each of the Relevant Periods.

### 38. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 30 June 2025.

*The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for information purposes only. The unaudited pro forma financial information should be read in conjunction with "Financial Information" and the Accountants' Report set out in Appendix I to this prospectus.*

#### **A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS**

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the unaudited consolidated net tangible assets of the Group attributable to owners of the parent as at 30 June 2025 as if the Global Offering had taken place on 30 June 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group 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 had the Global Offering been completed as at 30 June 2025 or at any future date.

	Consolidated net tangible assets attributable to owners of the parent as at 30 June 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent immediately after completion of the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share immediately after completion of the Global Offering	
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000	RMB (Note 3)	(HK\$ equivalent) (Note 4)
Based on an Offer Price of					
HK\$80.0 per Share . . . . .	678,026	251,134	929,160	24.54	26.99
Based on an Offer Price of					
HK\$106.0 per Share . . . . .	678,026	340,624	1,018,650	26.90	29.59

**Notes:**

- The consolidated net tangible assets attributable to owners of the parent as at 30 June 2025 is arrived at after deducting intangible assets of RMB1,776,000 from the consolidated net assets attributable to owners of the parent of RMB679,802,000 as at 30 June 2025, as shown in the Accountants' Report set out in Appendix I to this prospectus.

2. The estimated net proceeds from the Global Offering are calculated based on estimated offer prices of HK\$80.0 or HK\$106.0 per Share, being the low-end price and high-end price, after deduction of the underwriting fees and other related expenses payable by the Company (excluding listing expenses of RMB17,112,000 which have been charged to profit or loss during the Track Record Period) and do not take into account any Shares which may be issued upon exercise of the Over-allotment Option.
3. The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share are calculated based on 37,866,600 Shares in issue immediately following the completion of the Global Offering without taking into account any Shares which may be issued upon exercise of the Over-allotment Option.
4. The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share are converted into Hong Kong dollars at an exchange rate of RMB0.9091 to HK\$1.00.
5. No adjustment has been made to reflect any trading results or open transactions of the Group entered into subsequent to 30 June 2025.

*The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information.*

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**



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Quarry Bay, Hong Kong

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To the Directors of Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd. (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 pro forma financial information consists of the pro forma consolidated net tangible assets as at 30 June 2025, and related notes as set out on pages II-1 to II-2 of the prospectus dated 15 December 2025 issued by the Company (the “Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Part A of Appendix II to the prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group’s financial position as at 30 June 2025 as if the transaction had taken place at 30 June 2025. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial statements for the period ended 30 June 2025, on which an accountants’ report has been published.

**Directors’ responsibility for the Pro Forma Financial Information**

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* 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 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants' responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For 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 Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if 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 transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young  
*Certified Public Accountants*  
Hong Kong  
15 December 2025

**TAXATION FOR HOLDERS OF SECURITIES**

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 H Shares are residents 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 and 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 adviser 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 and may have retrospective effect.

No issues on PRC or Hong Kong taxation other than income tax, capital gain tax and profits tax, business tax/VAT, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of the H Shares.

**THE PRC TAXATION****Taxation on Dividends*****Individual Investor***

Pursuant to the IIT Law, which was most recently amended on August 31, 2018 and the IIT Law, 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 a withholding individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty. Indeed, the withholding tax rate for dividends of non-resident individuals may be lower than 20% under certain circumstances. However, pursuant to *the Circular of the Ministry of Finance and the State Administration of Taxation on Issues Concerning Individual Income Tax Policies* (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》), the income received by individual foreigners from dividends and bonuses of a foreign-invested enterprise is exempt from individual income tax for the time being. On 3 February 2013, the State Council approved and promulgated *the Notice of the State Council on Approving and Relaying the Several Opinions of the National Development and Reform Commission and Other Departments to Deepen the Reform of System of Income Distribution* (《國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知》). On 8 February 2013, the General Office of the State Council promulgated *the Notice of the Division of Key Work to Deepen the Reform of the Income Distribution System* (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》). Pursuant to these two documents, the PRC Government is planning to cancel foreign individuals' tax exemption for dividends obtained from foreign-invested enterprises, and the MOF and the SAT should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by the MOF and the SAT.



Pursuant to the *Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income* (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (hereinafter referred to as the “**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income**” signed by the Mainland of China and the Hong Kong Special Administrative Region on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. *The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income* (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) (the “**Fifth Protocol**” (《第五協議書》)) issued by the SAT and became effective on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

### ***Enterprise Investors***

In accordance with the EIT Law and the EIT Implementation Regulations, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from 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. The aforesaid 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-resident enterprise. Such withholding tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

*The Circular of the SAT on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares* (《國家稅務總局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稅有關問題的通知》), which was issued and implemented by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. Non-PRC resident enterprise shareholders who need to enjoy tax treaty benefits, the relevant provisions of such tax treaty shall apply. In addition, *the Response to Issues on Levying Enterprise Income Tax on Dividends Received by Non-resident Enterprise from Holding Stock such as B-shares* (《國家稅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稅問題的批覆》) which was issued by the SAT on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a

rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Although there may be other provisions under the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of 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 requirements of PRC tax law and regulation, such as *the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements* (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

### ***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 companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong and Macau of China, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States, 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 corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

## Taxation on Share Transfer

### *VAT and Local Additional Tax*

Pursuant to the *Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax* (《關於全面推開營業稅改徵增值稅試點的通知》) (the “**Circular 36**”), which was implemented on May 1, 2016 and partially repealed on July 1, 2017, January 1, 2018 and April 1, 2019, entities and individuals engaged in the services sale in the PRC are subject to VAT and “engaged in the services sale in the PRC” means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the *Notice of the MOF and SAT on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals* (《財政部、國家稅務總局關於個人金融商品買賣等營業稅若干免稅政策的通知》) effective on January 1, 2009. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside the PRC, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT.

However, in view of no clear regulations, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge.

## Income Tax

### *Individual Investors*

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 30, 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 IIT Law.

However, on December 31, 2009, the MOF, SAT and the CSRC 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 January 1, 2010, 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-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

### ***Enterprise Investors***

In accordance with the EIT Law, a non-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-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

### ***Stamp Duty***

According to *the Stamp Duty Law of the PRC* (《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus 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 document, no estate duty has been levied in the PRC under the PRC laws.

**PRINCIPAL TAXATION OF THE COMPANY IN THE PRC****Enterprise Income Tax**

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as “**an enterprise**” or “**enterprises**”) within the territory of the PRC are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%.

According to the Notice No. 13, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%; and the annual taxable income that is more than RMB1 million nor more than RMB3 million shall be included in its taxable income at the reduced rate of 50%, with the applicable enterprise income tax rate of 20%.

According to *the Announcement on Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses* (《關於實施小微企業和個體工商戶所得稅優惠政策的公告》) promulgated on April 2, 2021, during January 1, 2021 to December 31, 2022, for the portion of annual taxable income amount of micro and small enterprises which does not exceed RMB1 million, corporate income tax shall be reduced by 50%, in addition to the incentives stipulated in the article above of Notice No. 13.

According to *the Announcement of Ministry of Finance and State Administration of Taxation on Further Implementation of Income Tax Preferential Policies for Small and Micro Enterprises* (《財政部、稅務總局關於進一步實施小微企業所得稅優惠政策的公告》) promulgated on March 14, 2022, during January 1, 2022 to December 31, 2024, the portion of annual taxable income amount of a small meager-profit enterprise, which exceeds RMB1 million but not exceeds RMB3 million, shall be computed at a reduced rate of 25% as taxable income amount, and subject to corporate income tax at 20% tax rate.

According to *the Announcement on Preferential Income Tax Policies for Small Enterprises with Meager Profit and Individually-owned Businesses* (《關於小微企業和個體工商戶所得稅優惠政策的公告》) promulgated on March 26, 2023, during January 1, 2023 to December 31, 2024, the portion of annual taxable income amount of a small enterprise with meager profit, which does not exceed RMB1 million, shall be computed at a reduced rate of 25% as taxable income amount, and be subject to corporate income tax at a tax rate of 20%.

According to *the Administrative Measures for Determination of High and New Tech Enterprises* (《高新技術企業認定管理辦法》), which was promulgated by the MOST, the MOF and the SAT on April 14, 2008, amended on January 29, 2016 and became effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law.

**Value-added Tax**

Pursuant to *the Interim Regulations on Value-added Tax of the PRC* (《中華人民共和國增值稅暫行條例》) issued on December 13, 1993 by the State Council, came into effect on January 1, 1994, and revised on November 10, 2008, February 6, 2016 and November 19, 2017, as well as *the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC* (《中華人民共和國增值稅暫行條例實施細則》) issued on December 25, 1993 by the MOF, came into effect on the same day and revised on December 15, 2008 and October 28, 2011, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. The rate of VAT for sale of goods is 17% unless otherwise specified, such as the rate of VAT for sale of transportation is 11%. With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the SAT issued *the Notice of on Adjusting VAT Rates* (《財政部、國家稅務總局關於調整增值稅稅率的通知》) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, this adjustment became effect on May 1, 2018. Subsequently, the MOF, the SAT and the General Administration of Customs jointly issued *the Announcement on Relevant Policies for Deepening the VAT Reform* (《財政部、國家稅務總局關於深化增值稅改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

In accordance with *the Notice of Ministry of Finance and State Administration of Taxation on Value-added Tax Policies for Software Products* (《關於軟件產品增值稅政策的通知》) which was promulgated by the MOF and the SAT on October 13, 2011 and came into effect on January 1, 2011, a VAT general taxpayer selling software products developed and produced by itself shall be subject to levying and collection of VAT at the tax rate of 13%, and the policy of forthwith levy and forthwith refund shall be implemented for the portion of VAT actually paid which exceeds 3%.

**TAXATION IN HONG KONG****Tax on Dividends**

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.



***Capital Gains Tax and Profit Tax***

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes. Trading gains from sales of H Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

***Stamp Duty***

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed 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 ten times the duty payable may be imposed.

***Estate Duty***

*The Revenue (Abolition of Estate Duty) Ordinance 2005* (《2005年收入(取消遺產稅)條例》) came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

**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 SAFE, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

*The Administrative Regulations on Foreign Exchange of the PRC* (《中華人民共和國外匯管理條例》) which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on 5 August 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange control authorities. For capital items, overseas organizations and overseas individuals making direct investments in the PRC shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

*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 promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing 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 RMB exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of the exchange rate of the RMB 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 RMB transactions on the following working day.



According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment 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 our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

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 decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

According to *the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing* (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of SAFE at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the prospectus and other disclosure documents.

According to *the Notice from the SAFE on Reforming and Regulating the Policies of Administration of Foreign Exchange Settlement for Capital Account* (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued by the SAFE and implemented on June 9, 2016, and partly modified on December 4, 2023, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of foreign exchange capital, foreign loans and raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment of the SAFE in due time in accordance with international revenue and expenditure situations.

On January 26, 2017, the SAFE issued *the Notice of the SAFE on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance* (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading, allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization, allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones, and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On October 23, 2019, the SAFE issued *the Notice on Further Facilitating Cross-border Trade and Investment* (《關於進一步促進跨境貿易投資便利化的通知》), which partly modified on December 4, 2023, canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item by item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

**PRC LAWS AND REGULATIONS**

This Appendix sets out summaries of certain aspects of PRC laws and regulations, which are relevant to the 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. The principal objective of this summary is to provide potential investors with an overview of the principal PRC legal and regulatory provisions applicable to the Company. This summary is not intended to include all the information which may be important to potential investors. For more details on laws and regulations which are relevant to our business, please refer to the section headed "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》) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is a signatory, and other regulatory documents. Court judgements do not constitute legally binding precedents, although they may be used for the purposes of judicial reference and guidance.

Pursuant to the PRC Constitution and *the Legislation Law of the PRC* (《中華人民共和國立法法》), the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing State organs, civil, criminal and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the PRC Constitution and laws.

The people's congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such regulations do not contravene any provision of the PRC Constitution, laws or administrative regulations. The people's congresses of cities with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, environmental protection, historical and cultural protection and other aspects according to the specific circumstances and actual needs of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions, provided that such local regulations do not contravene any provision of the PRC Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions.

The ministries and commissions of the State Council, the PBOC, the National Audit Office of the PRC and the subordinate institutions with administrative functions directly under the State Council may formulate rules and regulations within the authorization of their respective departments in accordance with the laws and administrative regulations, and the decisions and orders of the State Council. The people's governments of the provinces, autonomous regions, municipalities directly under the central government and cities with districts may formulate rules and regulations in accordance with the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities directly under the central government.

The PRC Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the PRC Constitution. The PRC laws rank higher than administrative regulations, local regulations and rules. The administrative regulations rank higher than local regulations and rules. The rules enacted by the people's governments of the provinces or autonomous regions rank higher than the rules enacted by the people's governments of the cities with districts and autonomous prefectures within the administrative areas of such provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee, but which contravene the PRC Constitution or the PRC Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the PRC Constitution and laws, to annul any local regulations that contravene the PRC Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities, but which contravene the PRC Constitution and the PRC Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The standing committees of local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the PRC Constitution, the power to interpret laws is vested in the SCNPC. Pursuant to *the Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law* (《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 on 10 June 1981, issues related to the further clarification or supplement of laws should be interpreted or provided by the SCNPC, issues related to the specific application of laws and decrees in a court trial should be interpreted by the Supreme People's Court, issues related to the specific application of laws and decrees in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the legal issues other than the above-mentioned

should be interpreted by the State Council and the competent authorities. If there are differences in principle in the interpretation of the Supreme People's court and the Supreme People's Procuratorate, they shall be submitted to the SCNPC for interpretation or decision. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws is vested in the regional legislative and administrative authorities which promulgate such laws.

### **The PRC Judicial System**

Pursuant to the PRC Constitution and *the Law of Organization of the People's Courts of the PRC* (《中華人民共和國人民法院組織法》) most recently revised on 26 October 2018 and taking effect on 1 January 2019, the people's courts are classified into the Supreme People's Court, the local people's courts at various local levels, and other special people's courts. The local people's courts at various local levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts are further divided into civil, criminal and economic tribunals. The intermediate people's courts have structure similar to those of the primary people's courts and other special tribunals, such as the intellectual property courts, military courts and maritime courts. These two levels of people's courts are subject to supervision by people's courts at higher levels. The Supreme People's Procuratorate is authorized to supervise the judgement and ruling of the people's courts at all levels which have been legally effective, and the people's procuratorate at a higher level is authorized to supervise the judgement and ruling of a people's court at a lower level which have been legally effective. The Supreme People's Court is the highest judicial authority in the PRC. It supervises the administration of justice by the people's courts at all levels.

The people's courts employ a two-tier appellate system. The judgements or rulings of the second instance at a people's court are final. A party may appeal against the judgement or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court 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 judgements or rulings of the people's court are final. Judgements or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court are final. Judgements or rulings of the first instance of the Supreme People's Court are also final. However, if the Supreme People's Court or a people's court at the next higher level discovers an error in a final and binding judgement or ruling which has taken effect in any people's court at a lower level, or the presiding judge of a people's court finds an error in a final and binding judgement or ruling which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

*The Civil Procedure Law of the PRC* (《中華人民共和國民事訴訟法》) adopted on 9 April 1991 and most recently amended on 1 September 2023, prescribes the conditions 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 judgement or ruling. All parties to a civil action conducted within the PRC must abide by the PRC Civil Procedure Law. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the place where the contract is executed or signed or the place where the object of the action is located. However, such choice shall not in any circumstances contravene the provisions on grade jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization that institute or respond to proceedings in a people's court is given the same litigation rights and obligations as a citizen or legal person of the PRC. Should a foreign court limit the litigation rights of PRC citizens and enterprises, the PRC court shall apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he/she or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. In accordance with the international treaties to which the PRC is a signatory or a participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation, collect evidence and conduct other actions on its behalf. A PRC court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform legally effective judgements and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years, subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement.

A party seeking to enforce a judgement or ruling of a people's court against another party who is not or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of such judgement or ruling. Alternatively, the people's court may, pursuant to an international treaty concluded or acceded to by the PRC or in accordance with the principle of reciprocity, request the foreign court to recognize and execute the judgement or ruling. Likewise, if the PRC has entered into either a treaty relating to judicial enforcement with the relevant foreign country or according to the principle of reciprocity, a foreign judgement or ruling may also be recognized and enforced in accordance with the PRC enforcement procedures by a PRC court unless the people's court considers that the recognition or enforcement of such judgement or ruling would violate the basic legal principles of the PRC, its sovereignty or national security, or would not be in the public interest.



**The PRC Company Law, Trial Administrative Measures and Guidance for Articles of Association**

A joint stock limited company incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- (1) *The PRC Company Law* (《中華人民共和國公司法》) which was promulgated on 29 December 2023 and took effect on 1 July 2024;
- (2) The Trial Administrative Measures and five relevant guidelines which were promulgated by the CSRC on 17 February 2023 pursuant to *the PRC Securities Law* (《中華人民共和國證券法》) and are applicable to the direct and indirect overseas share offering or listing of domestic companies; and
- (3) *The Guidelines for Articles of Association of Listed Companies* (《上市公司章程指引》) (the “**Guidance for Articles of Association**”) which was most recently amended on 15 December 2023 by the CSRC. The Articles of Association is formulated based on the Guidance for Articles of Association on a reference basis, the summary of which is set out in the section entitled “Appendix V — Summary of the Articles of Association” to this document.

Set out below is a summary of the major provisions of the currently effective PRC Company Law, the Trial Administrative Measures and the Guidance for Articles of Association which are applicable to the Company.

**General**

A joint stock limited company refers to a corporate legal person established in China under the PRC Company Law with its registered capital divided into shares. All shares of the company shall be either par value shares or no par value shares in accordance with the company’s articles of association. Where par value shares are adopted, each share shall have equal value. The liability of the company is limited to the total amount of all assets it owns and the liability of its shareholders is limited to the extent of the shares they subscribe for.

The company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by law, the company may not be a contributor that undertakes joint liabilities for the debts of the invested companies.

**Incorporation**

A company may be incorporated by promotion or floatation. A company shall be incorporated by a minimum of one but no more than 200 promoters, and at least half of the promoters must be residents within the PRC. Companies incorporated by promotion are companies of which the entire registered capital is subscribed for by the promoters. Shares in the company incorporated by promotion shall not be offered to others unless the registered capital has been fully paid up. If laws, administrative regulations and decisions of the State Council have separate provisions on paid-in registered capital and the minimum registered capital, the company should follow such provisions.

For companies incorporated by way of promotion, the promoters shall subscribe in writing for the shares required to be subscribed for by them and pay up their capital contributions under the articles of association. Procedures relating to the transfer of titles to non-monetary assets shall be duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions in accordance with the foregoing provisions shall assume default liabilities in accordance with the covenants set out in the promoters' agreements. After the promoters have confirmed the capital contribution under the articles of association, a board of directors and a Supervisory Committee shall be elected and the board of directors shall apply for registration of incorporation by filing the articles of association with the company registration authority, and other documents as required by laws or administrative regulations.

Where companies are incorporated by floatation, not less than 35% of their total number of shares must be subscribed for by the promoters, unless otherwise provided for by laws or administrative regulations. The promoters shall preside over and convene an inauguration meeting within thirty days from the date of the full payment of subscription capital. The inauguration meeting shall be formed by the promoters and subscribers. Where the shares issued are not fully subscribed for within the offer period stipulated in the share offering document, or where the promoter fails to convene an inauguration meeting within thirty days of the subscription capital for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription capital so paid together with the interest calculated at bank rates of a deposit for the same period. Within thirty days of the conclusion of the inauguration meeting, the board of directors shall apply to the registration authority for registration of the establishment of the company. A company is formally established and has the status of a legal person after the registration with the relevant administration for market regulation has been completed and a business license has been issued.



**Share Capital**

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of laws or administrative regulations on valuation without any over-valuation or under-valuation.

There is no limit under the PRC Company Law as to the percentage of shares held by an individual shareholder in a company. The shares of a company are represented by stocks. A stock is a certificate issued by the company to certify the share held by a shareholder. The stock issued by the company shall be in the form of registered stock.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class 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. The same price per share shall be paid by any share subscriber (whether an entity or an individual). The share offering price may be equal to or greater than the par value of the share, but may not be less than the par value.

Under the Trial Administrative Measures, if a domestic company offers shares overseas, it may raise funds and dividend distributions in foreign currency or Renminbi.

Under the PRC Company Law, a company issuing registered share certificates shall maintain a shareholder registry which sets forth the following matters:

- (i) the name and domicile of each shareholder;
- (ii) the number of shares held by each shareholder;
- (iii) the serial numbers of shares held by each shareholder; and (iv) the date on which each shareholder acquired the shares.

**Increase in Share Capital**

In light of its operational and development needs and in accordance with laws and regulations, a company may increase its share capital under any of the following methods, subject to the resolutions be passed at a shareholders' general meeting: (i) a public offering of shares; (ii) a private placement of shares; (iii) offering of bonus shares to existing shareholders; (iv) the conversion of reserve funds into shares; and (v) any other methods provided in law and administrative regulations and approved by the CSRC.

Pursuant to the PRC Company Law, a company may, according to its articles of association, issue the following classified shares, which have different rights from those of the common shares: (i) shares with priority or inferior rights to profits or remaining property in distribution; (ii) shares with more or less voting rights per share than those of the common shares; (iii) shares whose transfer is subject to the consent of the company and other restrictions; (iv) other classified shares provided by the State Council. A company making a public offering of shares shall not issue any of the classified shares as prescribed on items (ii) and (iii), except those issued prior to the public offering. Where a company is issuing new shares, resolutions shall be passed at general meeting in accordance with the articles of association in respect of the class and amount of the new shares, the issue price of the new shares, the commencement and end dates for the issue of the new shares and when the new shares are proposed to be issued to existing shareholders, the class and amount of such new shares.

To offer shares overseas, the domestic company shall report the application documents for offering and listing to the CSRC for record-filing within three business days after submission of the application documents for offering and listing overseas.

#### **Reduction of Share Capital**

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- (i) the company shall prepare a balance sheet and a list of properties;
- (ii) the reduction of registered capital must be approved by shareholders at the general meeting;
- (iii) the company shall notify its creditors of the reduction in registered capital within ten days and publish an announcement of the reduction in newspapers within thirty days of the resolution approving the reduction being passed;
- (iv) the creditors of the company may within the statutory time limit require the company to repay its debts or provide guarantees for covering the debts; and
- (v) the company must apply to the relevant company registration authority for registration of the change and reduction in registered capital.

**Repurchase of Shares**

Pursuant to the PRC Company Law, a company shall not purchase its own shares other than in any of the following circumstances:

- (i) reducing its registered capital;
- (ii) merging with another company which holds its shares;
- (iii) utilizing the shares for employee stock ownership plan or stock ownership incentive scheme;
- (iv) acquiring its own shares at the request of its shareholders who vote in a shareholders' general meeting against a resolution regarding a merger or separation;
- (v) utilizing the shares for conversion of corporate bonds which are convertible into shares issued by a listed company; and
- (vi) where it is necessary for a listed company to maintain its corporate value and stockholders' equity.

Any company's purchase of its own shares for any reason specified in item (i) and item (ii) of the preceding paragraph shall be subject to a resolution of the general meeting; any company's purchase of its own shares for any reason specified in item (iii), item (v) and item (vi) of the preceding paragraph may be subject to a resolution of the board meeting with more than two thirds of directors present, according to the provisions of the articles of associations or upon authorization by the general meeting.

The shares acquired under the circumstance stipulated in item (i) hereof shall be deregistered within ten days from the date of acquisition of shares; the shares shall be assigned or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (ii) or item (iv); and the shares held in total by a company after the repurchase under any of the circumstances stipulated in item (iii), item (v) or item (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

**Transfer of Shares**

Shares held by shareholders may be transferred in accordance with the relevant laws. Pursuant to the PRC Company Law, a shareholder should effect a transfer of his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Registered shares may be transferred after the shareholders endorse the back of the share certificates or in any other manner specified by laws or administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into

its share register. No changes of registration in the share register described above shall be effected during a period of twenty days prior to convening a shareholders' general meeting or five days prior to the record date for the purpose of determining entitlements to dividend distributions, subject to any legal provisions on the registration of changes in the share register of listed companies.

Pursuant to the PRC Company Law, shares held by promoters may not be transferred within one year of the establishment of the company. Shares of the company issued prior to the public offering of shares may not be transferred within one year of the date of the company's listing on a stock exchange. Directors, supervisors and the Senior Executives of a company shall declare to the company their shareholdings in the company and any changes thereof. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the company per annum. They shall not transfer the shares they hold within one year of the date of the company's listing on a stock exchange, nor within half a year after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the Senior Executives.

### **Shareholders**

Under the PRC Company Law, the rights of shareholders include the rights:

- (i) to receive a return on assets, participate in significant decision-making and select management personnel;
- (ii) to petition the people's court to revoke any resolution passed on a shareholders' general meeting or a meeting of the board of directors that has not been convened in compliance with the laws and regulations or the articles of association or whose voting has violated the laws, administrative regulations or the articles of association of the company, or any resolution the contents of which is in violation of the articles of association, provided that such petition shall be submitted within sixty days of the passing of such resolution;
- (iii) to transfer the shares according to the applicable laws and regulations and the articles of association;
- (iv) to attend or appoint a proxy to attend shareholders' general meetings and exercise the voting rights;
- (v) to inspect the articles of association, share register, counterfoil of company debentures, minutes of shareholders' general meetings, board resolutions, resolutions of the Supervisory Committee and financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations;

- (vi) to receive dividends in respect of the number of shares held;
- (vii) to participate in distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and
- (viii) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the articles of association.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the subscription capital in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription capital agreed to be paid in respect of the shares taken up by them and any other shareholder obligation specified in the articles of association.

#### **Shareholders' General Meetings**

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The general meeting may exercise its powers:

- (i) to elect and remove the directors and supervisors (not being representative(s) of employees) and to decide on the matters relating to the remuneration of directors and supervisors;
- (ii) to review and approve the reports of the board of directors;
- (iii) to review and approve the reports of the Supervisory Committee or supervisors;
- (iv) to review and approve the company's annual financial budgets and final accounts plan;
- (v) to review and approve the company's profit distribution proposals and loss recovery proposals;
- (vi) to decide on any increase or reduction of the company's registered capital;
- (vii) to decide on the issue of corporate bonds;
- (viii) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- (ix) to amend the company's articles of association; and
- (x) to exercise any other authority stipulated in the articles of association.

The general meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law, a shareholders' general meeting is required to be held once every year. An extraordinary general meeting is required to be held within two months of the occurrence of any of the following circumstances:

- (i) the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- (ii) the outstanding losses of the company amounted to one-third of the company's total issued share capital;
- (iii) shareholders individually or in aggregate holding 10% or more of the company's shares request that an extraordinary general meeting is convened;
- (iv) the board of directors deems necessary;
- (v) the Supervisory Committee so proposes; or
- (vi) any other circumstances as provided for in the articles of association.

A shareholders' general meeting 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 is 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 is not performing his duties, a director nominated by half or more of the directors shall preside over the meeting. Where the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the Supervisory Committee shall convene and preside over such meeting in a timely manner. If the Supervisory Committee fails to convene and preside over such meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for ninety days or more consecutively may unilaterally convene and preside over such meeting. Where shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an extraordinary general meeting, the board of directors and the Supervisory Committee shall, within ten days after receipt of such request, decide whether to convene the extraordinary general meeting and reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice of the general meeting stating the date and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders twenty days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders fifteen days prior to the meeting.

There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in a shareholders' general meeting.

Pursuant to the PRC Company Law, shareholders (excluding classified shareholders) present at a shareholders' general meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

An accumulative voting system may be adopted for the election of directors and supervisors at the general meeting pursuant to the provisions of the articles of association or a resolution of the general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Pursuant to the PRC Company Law, resolutions of the general meeting must be passed by more than half of the voting rights held by shareholders present at the meeting, with the exception of resolutions relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, which in each case must be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. Where the PRC Company Law and the articles of association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company must be approved by way of resolution of the general meeting, the board of directors shall convene a shareholders' general meeting promptly to vote on such matters.

A shareholder may entrust a proxy to attend the general meeting on his/her behalf and the matters, power and time limit of the proxy shall be clarified by such shareholder. The proxy shall present the shareholders' power of attorney to the company and exercise voting rights within the scope of authorization.

Minutes shall be prepared in respect of matters considered at the general meeting and the chairman and directors attending the meeting shall endorse such minutes by signature. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

### **Board of Directors**

A joint stock limited company shall have a board of directors which shall have at least three members. For a company that has three hundred or more employees, the board of directors shall include the staff representative unless the Supervisory Committee has been established and already included the staff representative supervisor. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum.

Under the PRC Company Law, the board of directors may exercise its powers:

- (i) to convene shareholders' general meetings and report on its work to the shareholders' general meetings;
- (ii) to implement the resolutions passed by the shareholders at the shareholders' general meetings;
- (iii) to decide on the company's operational plans and investment proposals;
- (iv) to formulate the company's profit distribution proposals and loss recovery proposals;
- (v) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;
- (vi) to formulate proposals for the merger, division or dissolution of the company or change of corporate form;
- (vii) to decide on the setup of the company's internal management organs;
- (viii) to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and financial officer of the company and to decide on their remunerations;
- (ix) to formulate the company's basic management system; and
- (x) to exercise any other authority stipulated in the articles of association.

Any restrictions on the powers of the board of directors set out in the articles of association may not be claimed against any bona fide third party.

Meetings of the board of directors shall be convened at least twice each year. Notices of meeting shall be given to all directors and supervisors ten days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the Supervisory Committee. The chairman shall convene the meeting within ten days of receiving such proposal, and preside over the meeting. The board of directors may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board of directors. Directors shall attend the meetings of the board of directors in person. If a director is unable to attend for any reason, he/she may appoint another



director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization. The board of directors shall make minutes of the meeting's decisions on the matters discussed at the meeting, and the directors attending the meeting shall sign the minutes.

If a resolution of the board of directors violates any laws, administrative regulations or the articles of association or resolutions of the general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are 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 shall be relieved from that liability.

Under the PRC Company Law, the following person may not serve as a director in a company:

- (i) a person without capacity or restricted capacity to undertake any civil liabilities;
- (ii) a person who has been sentenced to any criminal penalty for corruption, bribery, embezzlement, misappropriation of property or destruction of the socialist economic order, or who has been deprived of his political rights due to his crimes and such sentence has expired for no more than five years, or who is granted probation, if no more than two years have passed since the expiration of the probation period;
- (iii) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where no more than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (iv) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law or has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation or the order to close down; or
- (v) a person who is listed as a dishonest person subject to enforcement by the people's court due to failure to pay off a large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election or appointment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

Pursuant to the PRC Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director elected by more than half of the directors shall perform his/her duties.

### **Supervisory Committee**

Pursuant to the PRC Company Law, a joint stock limited company shall have a Supervisory Committee composed of not less than three members. The Supervisory Committee shall consist of representatives of the shareholders and an appropriate proportion of representatives of the company's staff, among which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the articles of association. Representatives of the company's staff at the Supervisory Committee shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The Supervisory Committee shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the Supervisory Committee shall be elected by more than half of the supervisors. Directors and Senior Executives shall not act concurrently as supervisors.

The chairman of the Supervisory Committee shall convene and preside over Supervisory Committee meetings. Where the chairman of the Supervisory Committee is incapable of performing or is not performing his/her duties, the vice chairman of the Supervisory Committee shall convene and preside over supervisory board meetings. Where the vice chairman of the Supervisory Committee is incapable of performing or is not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over meetings of the Supervisory Committee.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The Supervisory Committee may exercise its powers:

- (i) to review the company's financial position;
- (ii) to supervise the directors and Senior Executives in their performance of their duties and to propose the removal of directors and Senior Executives who have violated laws, regulations, the articles of association or shareholders' resolutions;

- (iii) when the acts of directors or Senior Executives are detrimental to the company's interests, to require the director and Senior Executives to correct these acts;
- (iv) to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board fails to perform the duty of convening and presiding over shareholders' general meetings under the PRC Company Law;
- (v) to submit proposals to the shareholders' general meetings;
- (vi) to bring actions against directors and Senior Executives pursuant to the relevant provisions of the PRC Company Law; and
- (vii) to exercise any other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The Supervisory Committee may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

#### **Manager and Senior Executives**

Pursuant to the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise his/her powers in accordance with the company's articles of association or the authorization of the board of directors.

Other provisions in the articles of association on the manager's powers shall also be complied with. The manager shall be present at meetings of the board of directors. However, the manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

Pursuant to the PRC Company Law, Senior Executives refers to the manager, deputy manager, financial officer, secretary to the board of directors of a listed company and other personnel as stipulated in the articles of association.

#### **Duties of Directors, Supervisors, Managers and Other Senior Executives**

Directors, supervisors and Senior Executives are required under the PRC Company Law to comply with the relevant laws, regulations and the articles of association, and shall be obliged to be faithful and diligent towards the company. Where the controlling shareholder or actual controller of the company who does not serve as a director but actually attends to the company's affairs, shall comply with the foregoing provisions.

Directors, supervisors and Senior Executives are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's property.

Directors, supervisors and Senior Executives are prohibited from:

- (i) seizing the assets of the company or misappropriating company funds;
- (ii) depositing company funds into accounts under their own names or the names of other individuals;
- (iii) taking advantage of power to accept bribes or other illegal income;
- (iv) accepting commissions paid by a third party for transactions conducted with the company for their own benefit;
- (v) unauthorized divulgence of confidential information of the company; and
- (vi) other acts in violation of their duty of loyalty to the company.

Where directors, supervisors and Senior Executives directly or indirectly conclude any contract or engage in transactions with the company, they shall report to the board of directors or the shareholders' general meeting and seek approval by resolutions of the board of directors or the shareholders' general meeting in accordance with the articles of association. The requirement shall also apply to the conclusion of contracts or engagement in transactions by close relatives of the directors, supervisors and Senior Executives or enterprises directly or indirectly controlled by close relatives of the directors, supervisors and Senior Executives as well as persons who are otherwise related to the directors, supervisors and Senior Executives.

Directors, supervisors and Senior Executives shall not take advantage of duty to seek business opportunities for themselves or others that would have been directed to the company, unless such act has been reported to and approved by the board of directors or the shareholders' general meeting in accordance with the articles of association or the company is unable to take the business opportunity in accordance with applicable laws, administrative regulations, and the articles of association.

Directors, supervisors and Senior Executives shall not engage in the business similar to those of the company for themselves or others, unless such act has been reported to and approved by the board of directors or the shareholders' general meeting in accordance with the articles of association.

Income generated by directors or Senior Executives in violation of aforementioned shall be returned to the company.

A director, supervisor or Senior Executives who contravenes any laws, regulations or the company's articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

The Guidance for Articles of Association provides that a company's directors and Senior Executives shall have duties of diligence towards the company, for example, the directors shall be prudent, serious and diligent in exercising the authority conferred by the company to ensure that the business activities of the company comply with state's laws, administrative regulations and various economic policy requirements and that the business activities do not go beyond the scope of business activities specified in the company's business license; the directors shall treat all shareholders equally; the shareholders shall keep abreast of the company's business management status; both the directors and the Senior Executives shall sign written statements confirming periodic reports of the company and ensure that the information disclosed by the company is true, accurate and complete; both the directors and the Senior Executives shall provide accurate information and materials to the Supervisory Committee and shall not interfere with the performance of duties by the Supervisory Committee or individual supervisors; both the directors and the Senior Executives shall have other diligence duties prescribed by laws, administrative regulations, departmental rules and the company's articles of association.

### **Finance and Accounting**

Pursuant to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the competent financial departments of the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council.

The company's financial reports shall be made available for shareholders' inspection at the company twenty days before the convening of an annual general meeting. A joint stock limited company that makes public stock offerings shall publish its financial reports.

When distributing each year's profits after taxation, the company shall set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached more than 50% of the company's registered capital. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the company has made good its losses

and made allocations to the abovementioned reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the articles of association.

Profits distributed to shareholders in violation of the requirements described above must be returned to the company. The company shall not be entitled to any distribution of profits in respect of shares held by it.

The premium over the nominal value of the shares of the company on issue and other income as required by relevant government authorities to be treated as the capital reserve fund shall be accounted for as the capital reserve fund. The common reserve fund of a company shall be applied to make good the company's losses, expand its business operations or increase its capital. Where any losses need to be covered with reserve fund of the company, discretionary reserve fund and statutory common reserve fund shall first be used and if still insufficient, capital reserve fund can be used in accordance with applicable provisions. Upon the transfer of the statutory common reserve fund into increasing capital, the balance of the statutory common fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's capital shall not be deposited in any account opened under the name of an individual.

#### **Appointment and Retirement of Auditors**

The Guidance for Articles of Association provides that a company shall engage an accounting firm which is qualified with the PRC Securities Law to provide services including the audit of financial statements, the verification of net assets and other relevant consultancy services. The engagement term is one year and may be extended.

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the company's auditing shall be determined by shareholders at a shareholders' general meeting or the board of directors or the Supervisory Committee in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting or the board of directors conduct a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal, withholding or falsification of information. Furthermore, the Guidance for Articles of Association provides that the audit fee for the accounting firm shall also be determined by shareholders at a general meeting.

**Profit Distribution**

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

**Amendments to the Articles of Association**

Pursuant to the PRC Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting.

Pursuant to the Guidance for Articles of Association, the company shall amend its articles of association under any of the following circumstances:

- (i) where, after any amendment to the PRC Company Law or any other applicable law or administrative regulation, the provisions of the articles of association conflict with the law and/or administrative regulations amended;
- (ii) where the company's circumstances change to such an extent that they are inconsistent with what is recorded in the articles of association; and
- (iii) where the shareholders' general meeting decides to amend the articles of association.

The Guidance for Articles of Association further provides that where any amendment to the articles of association adopted by a shareholders' general meeting is subject to approval by the competent authorities, such amendment shall be submitted for approval; where any amendment involves the company's registration items, the company's registration with the authority shall also be amended. In addition, an announcement shall be made in accordance with the applicable provisions provided that the amendment to the articles of association is required to be disclosed by any law or regulation.

**Dissolution and Liquidation**

Pursuant to the PRC Company Law, a company shall be dissolved for any of the following reasons:

- (i) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;
- (ii) the shareholders have resolved at a shareholders' general meeting to dissolve the company;
- (iii) the company is dissolved by reason of its merger or division;

- (iv) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or
- (v) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders' interests.

On the occurrence of the abovementioned events, the company shall make an announcement on the National Enterprise Credit Information Publicity System within ten days.

In the event of paragraphs (i) and (ii) above, the company may carry on its existence by amending its articles of association if no property has been distributed to any shareholder. The amendments to the articles of association in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting.

Where the company is dissolved under the circumstances set forth in paragraph (i), (ii), (iv) or (v) above, the liquidation procedures shall be conducted and directors shall be the company's liquidation obligor and it should establish a liquidation committee within fifteen days of the date on which the dissolution event occurs. The liquidation committee shall be composed of directors or any other persons determined by a shareholders' general meeting. If a liquidation committee is not established within the prescribed period or the liquidation fails to effect after the establishment of a liquidation committee, the interested party may file an application with a people's court, requesting that the court appoint relevant personnel to form a liquidation committee to administer the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise following powers during the liquidation:

- (i) to dispose of the company's assets and to prepare a balance sheet and an inventory of assets;
- (ii) to notify the company's creditors or publish announcements;
- (iii) to deal with and settle any outstanding business related to the liquidation;
- (iv) to pay any outstanding tax together with any tax arising during the liquidation process;
- (v) to settle the company's claims and liabilities;



- (vi) to distribute the company's remaining assets after its debts have been paid off; and
- (vii) to represent the company in any civil procedures.

The liquidation committee shall notify the company's creditors within ten days from its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within sixty days.

A creditor shall lodge his claim with the liquidation committee within thirty days of receipt of the notification or within forty-five days of the date of the announcement if he has not received any notification.

A creditor shall, in making his claim, state matters relevant to his creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or a people's court for endorsement. The remaining assets of the company, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue to exist during the liquidation period, although it cannot engage in operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to repay its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration by the people's court, the liquidation committee shall hand over the administration matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' general meeting or a people's court for confirmation of its completion, and to the company registration authority to cancel the company's registration, and an announcement of its termination shall be published. Members of the liquidation committee are required to discharge their duties in good faith and in compliance with relevant laws. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's properties. Members of the liquidation committee are liable to indemnify the company and its creditors in respect of any loss arising from their willful or material default.

Liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

**Overseas Listing**

Pursuant to the Trial Administrative Measures, both initial public offerings or listings in overseas markets shall be filed with the CSRC within three business 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 three business days after the offering is completed. Moreover, where the filing documents are complete and in compliance with stipulated requirements, the CSRC will, within twenty business 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 supplementation and amendment thereto within five business days after receiving the filing documents. The issuer shall then complete supplementation and amendment within thirty business days.

**Loss of Share Certificates**

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After such a declaration has been obtained, the shareholder may apply to the company for the issue of a replacement certificate(s).

**Merger and Demerger**

Merger of companies may be conducted by absorption or consolidation. If companies adopt the method of absorption, the absorbed company shall be dissolved. If companies are incorporated in the form of consolidation, the parties to the merger shall be dissolved.

The parties to the merger shall enter into a merger agreement and prepare a balance sheet and a list of properties. Within ten days of the date on which the resolution on merger is made, the creditors shall be notified by the company and a public announcement shall be in the press or on the National Enterprise Credit Information Publicity System within thirty days. The creditors may require the company to repay its debts or provide guarantees for covering the debts within thirty days of receipt of the notification or within forty-five days of the date of the announcement if the creditor has not received any notification; and in case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

Where a company merges with another company in which the former holds not less than 90% of the shares, the acquired company is not required to obtain approval by resolution of its shareholders' general meeting, but shall notify the other shareholders who have the right to request the company to buy its equities or shares as a reasonable price. If the price paid for a company's merger does not exceed 10% of the company's net assets, approval by resolution of its shareholder's meeting may not be required unless otherwise provided by the company's articles of association. Where a company's merger is exempt from approval by resolution of the shareholders' general meeting in the previous two cases, it shall be subject to approval by resolution of the board of directors.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. Within ten days of the date on which the resolution on division is made, the creditors shall be notified by the company and a public announcement shall be made in the press or on the National Enterprise Credit Information Publicity System within thirty days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

### **The PRC Securities Law, Regulations and Regulatory Regimes**

The PRC has promulgated a series of regulations that relate to the issue and trading of the shares and disclosure of information. 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 governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the Securities Committee and the CSRC and reformed the CSRC.

The PRC Securities Law is the first national securities law in China, and the regulatory matters include the issuance and trading of securities, the acquisition of listed companies, information disclosure, obligations and responsibilities of stock exchanges, securities companies and securities regulatory authorities, etc. The PRC Securities Law comprehensively regulates activities in the PRC securities market.

Pursuant to the PRC Securities Law, domestic enterprises issuing securities overseas directly or indirectly or listing and trading their securities overseas shall comply with the relevant provisions of the State Council. At present, the issuance and trading of shares issued overseas is mainly regulated by rules and regulations issued by the State Council and the CSRC.

### **Arbitration and Enforcement of Arbitral Awards**

*The PRC Arbitration Law* (《中華人民共和國仲裁法》) was enacted by the SCNPC on 31 August 1994, which became effective on 1 September 1995 and was last amended on 1 September 2017. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil

Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court, unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and the PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement.

If the respondent puts forward evidence to prove that the arbitral award is under any of the following circumstances, the award shall not be enforced upon examination and verification by an arbitration tribunal of the people's court:

- (i) the parties have no arbitration clause in their contract, nor have subsequently reached a written agreement on arbitration;
- (ii) the matter to be ruled does not fall within the scope of the arbitration agreement or the arbitration institution has no right to arbitrate;
- (iii) the composition of the arbitration tribunal or the arbitration procedure violates the legal procedure;
- (iv) the evidence on which the award is based is forged;
- (v) the other party conceals evidence sufficient to influence the impartial award from the arbitration institution;
- (vi) the arbitrators have committed acts of embezzlement, bribery, favoritism and malpractice, or perverting the law in arbitrating the case.

If the people's court determines that the enforcement of the award violates the public interest, the award shall not be enforced.

Any party seeking to enforce an arbitral award of a foreign affairs arbitration organ of the PRC against a party who or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitration body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to *the Convention on the Recognition and Enforcement of Foreign Arbitral Awards* (《承認及執行外國仲裁裁決公約》) (the “**New York Convention**”) adopted on 10 June 1958 pursuant to a resolution of the SCNPC passed on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC’s accession to the convention, the SCNPC declared that (i) the PRC will only apply the New York Convention to the recognition and enforcement of arbitral awards made in the territory of another contracting state based on the principle of reciprocity; and (ii) the New York Convention will only apply to disputes deemed under PRC law to be arising from contractual or non-contractual mercantile legal relations.

*The Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region* (《關於內地與香港特別行政區相互執行仲裁裁決的安排》) were passed at the Judicial Committee meetings of the Supreme People’s Court on 18 June 1999, which went into effect on 1 February 2000. *The Supplementary Arrangements of Supreme People’s Court on Reciprocal Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region* (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) were promulgated by the Supreme People’s Court on 26 November 2020. Under these arrangements, if a party fails to perform the arbitral award rendered in the Mainland or the Hong Kong, the other party may apply for enforcement to the relevant court in the place where the respondent is domiciled or where the property is located.

#### Judicial Judgement and its Enforcement

On 14 January 2019, the Judicial Committee of the Supreme People’s Court adopted *the Arrangement on Reciprocal Recognition and Enforcement of Judgements 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》), which took effect on 29 January 2024 and seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgements in wider range of civil and commercial matters between Hong Kong and the mainland China. The arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The arrangement further regulates, among others, the scope and particulars of judgements, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgement, the circumstances where the recognition and enforcement of judgement shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgements in civil and commercial matters between the courts in mainland China and those in the Hong Kong. Upon implementation of this Arrangement, *the Arrangement between the Mainland and the Hong Kong Special Administrative Region on Reciprocal Recognition and Enforcement of Judgements of Civil and Commercial Matters under Consensual Jurisdiction* (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) which was adopted by the Judicial Committee of the Supreme People’s Court on 12 June 2006 and took effect on 1 August 2008 has been repealed.

This Appendix is mainly providing potential investors with an overview on the Articles of Association of the Company. The following information is only a summary, not covering all the information that may be material to potential investors.

## **INCREASE/DECREASE, REPURCHASE AND TRANSFER OF SHARES**

### **Increase/Decrease of Shares**

The Company may, in light of its operational and development needs and in accordance with laws and regulations, increase its capital under any of the following methods, subject to the resolution made separately at a General Meeting:

- (1) Issuing shares in a public offering;
- (2) Issuing shares via a private placement;
- (3) Distribution of bonus shares to existing Shareholders;
- (4) Converting the reserved funds into share capital;
- (5) Any other methods provided for in law and administrative regulations and approved by the CSRC.

The Company may reduce its registered capital. Any reduction of its registered capital shall be subject to the procedures prescribed in the PRC Company Law, and other applicable provisions, as well as the Articles of Association.

### **Repurchase of Shares**

The Company shall not acquire its own shares, except under any of the following circumstances:

- (1) where it reduces its registered capital;
- (2) where it merges with any other company that holds its shares;
- (3) where it uses its shares for an employee stock ownership plan or equity incentive;
- (4) where any shareholder who holds objections to the resolution on the merger or division of the Company made at the General Meeting of shareholders requires the Company to purchase his/its shares;

- (5) where it uses its shares for the conversion of the convertible corporate bonds which are issued by the Company; and
- (6) where it is necessary for the Company to acquire its own shares to maintain the value of the Company and shareholders' rights and interests.

A resolution of a General Meeting is required for repurchasing shares under circumstances specified in items (1) or (2) above. In accordance with the provisions of the Articles of Association or the authorization of the General Meeting, a resolution of a meeting of the Board of Directors with a quorum of more than two-thirds of Directors is required for repurchasing shares under circumstances (3), (5) or (6) above. After the Company repurchases Shares in accordance with the law, it shall cancel such Shares within the time limit prescribed by laws and administrative regulations, and apply to the original company registration authority for change in registration of registered capital. After the company acquires the Shares of the Company in accordance with the case of item (1) above, it shall be cancelled within ten days from the date of acquisition; in the case of items (2) and (4), it shall be transferred or cancelled within six months; in the case of items (3), (5) and (6), the total number of shares of the Company held by the Company shall not exceed 10% of the total issued Shares of the Company, and they should be transferred or cancelled within three years.

For any repurchase in above circumstances (3), (5) or (6), centralized trading shall be adopted publicly.

### **Transfer of Shares**

The shares that have been issued before the Company publicly offers shares shall not be transferred within one year from the date when the shares in the Company get listed and traded in the stock exchange concerned. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail.

The directors, supervisors and senior executives of the Company shall 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 shall not exceed 25% of the total shares they hold of the Company. The shares of the Company held by them shall not be transferred within 1 year as of the day when the stocks of the Company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the Company held within six months after he/she leaves office.



**SHAREHOLDERS AND GENERAL MEETING****Shareholders**

The shareholders of the Company shall be entitled to the following rights:

- (1) the right to receive dividends and benefits distributed in other forms based on the number of shares they hold;
- (2) the right to require, convene, preside over, participate in or send proxies of shareholders to attend General Meeting, speak at General Meeting and to exercise the corresponding voting rights according to the laws;
- (3) the right to supervise, make suggestions on or question the Company's operations;
- (4) the right to transfer, donate or pledge their shares according to the law, administrative regulations and the Articles of Association;
- (5) the right to consult the Articles of Association, the register of shareholders (including the Hong Kong branch register), corporate bond stubs, minutes of General Meetings, Board of Directors' resolutions, Supervisory Committee' resolutions and financial accounting reports;
- (6) the right to participate in the distribution of the Company's residual assets based on the number of shares they held when the Company terminates or liquidates;
- (7) any shareholder who has a different view on a resolution on the merger or division of the Company made by a General Meeting has the right to require the Company to buy back his/its shares; and
- (8) other rights prescribed in laws, administrative regulations, departmental rules or the Articles of Association.

Where any resolution of the General Meeting or of the Board of Directors violate any law or administrative regulation, the shareholders may request the court to invalidate such resolution.

Where the convening procedure or voting method for the General Meeting or the Board of Directors meetings violate any law, administrative regulation or the Articles of Association, or any resolution thereof violates the Articles of Association, the shareholders may request the court to cancel the resolution within 60 days of the date on which the resolution is made. However, a shareholder shall have no right to do so if only minor flaws exist in the convening procedures or voting method of a General Meeting or a board meeting, which have no material impact on the resolution.



The Shareholders of the Company shall undertake the following obligations:

- (1) to comply with laws, administrative regulations and the Articles of Association;
- (2) to pay share capital according to the shares subscribed for and the method of shares subscription;
- (3) not to withdraw shares, except for the circumstances stipulated by laws and regulations;
- (4) not to abuse his/its shareholders' rights to damage the Company's interests or other shareholders; not to abuse the independent legal person status of the Company or the limited liabilities of shareholders to damage the interests of the Company's creditors; and
- (5) to perform any other obligation as provided by laws, administrative regulations, and the Articles of Association.

Any shareholder of the Company who abuses his/its shareholders' rights and thereby causes losses to the Company or any other shareholder shall be liable for compensation according to the law. Any shareholder of the Company who abuses the independent legal person status of the Company and the limited liability of shareholders in order to evade debts and thereby seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

The controlling Shareholder or actual controller of the Company shall not utilize its related-party relationship against the interests of the Company, or else, shall compensate the Company for any loss incurred.

### **General Rules for General Meetings**

The General Meeting shall be the authority of the Company and shall exercise the following powers and functions in accordance with the law:

- (1) to determine the operational objectives and investment plans of the Company;
- (2) to elect and remove any director or supervisor (not including employee representative(s)), and to determine the remuneration of the relevant Directors and Supervisors;
- (3) to review and approve the reports of the Board of Directors;
- (4) to review and approve the reports of the Supervisory Committee;

- (5) to review and approve the Company's annual financial budgets and final accounts plans;
- (6) to review and approve the Company's profit distribution plans and loss recovery plans;
- (7) to resolve on the Company's increase/decrease of registered capital;
- (8) to make a resolution on the issuance of corporate bonds;
- (9) to resolve on the Company's merger, division, spin-off, dissolution, liquidation or change of its corporate form;
- (10) to modify the Articles of Association;
- (11) to decide on the engagement, dismissal and non-renewal of the appointment of the accounting firm and the audit fee of the accounting firm or the method of determining the audit fee;
- (12) to approve upon deliberation the guarantees specifically provided in the Articles of Association;
- (13) to deliberate purchases and sales of significant assets within a year exceeding 30% of the Company's total assets as audited in the latest period;
- (14) to consider and approve significant transactions or related party transactions required by laws, administrative regulations, the Listing Rules and the Articles of Association to be considered and approved by the General Meeting;
- (15) to consider and approve upon deliberation changes in the use of funds raised;
- (16) to deliberate equity incentive plans and employee stock ownership plans;
- (17) to deliberate the company's external donations exceeding 10% of the previous year's net profit; and
- (18) to deliberate other matters to be decided by General Meetings prescribed by law, administrative regulation, departmental regulation, normative documents, relevant regulations of the securities regulatory authority in the place where the company's shares are listed and the provisions of the Articles of Association.

The General Meeting may authorize or entrust the Board of Directors to handle the matters authorized or entrusted, provided that it does not violate the mandatory provisions of laws and regulations and the listing rules of the listing location.

There are two types of General Meetings: annual General Meeting and extraordinary General Meeting.

The annual General Meeting shall be convened once a year, and be held within six months from the end of last accounting year.

The Board of Directors shall hold extraordinary General Meeting within two months from the date of occurrence of any of the following events:

- (1) the number of directors is less than the quorum required by the PRC Company Law, or less than two-thirds of the quorum required by the Articles of Association;
- (2) the outstanding losses of the Company accounts for one-third of the Company's total paid-in share capital;
- (3) shareholder(s) individually or jointly holding at least 10% shares of the Company send(s) a written request for meeting;
- (4) the Board of Directors deems necessary;
- (5) the Supervisory Committee proposes to convene the meeting;
- (6) more than half of the independent non-executive directors of the company agree to convene the meeting;
- (7) other circumstances stipulated by laws, administrative regulations, departmental rules, or the Articles of Association.

#### **Convening of a Shareholders' General Meeting**

The independent non-executive directors have the right to propose to the Board of Directors to convene an extraordinary General Meeting. With respect to a proposal by an independent non-executive director to convene an extraordinary General Meeting, the Board of Directors shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, provide a written feedback on whether it agrees or disagrees with the convening of an extraordinary General Meeting within ten days of receipt of the proposal. If the Board of Directors agrees to convene an extraordinary General Meeting, it shall issue a notice of the convening of the General Meeting within five days after the Board of Directors' resolution is made; if the Board of Directors does not agree to convene an extraordinary General Meeting, it shall state the reasons therefor in writing and make a public announcement thereof.

The Supervisory Committee shall have the right to propose to the Board of Directors to convene an extraordinary General Meeting, and the Supervisory Committee shall propose in writing to the Board of Directors when it proposes to convene an extraordinary General Meeting. The Board of Directors shall, in accordance with laws, administrative regulations and the provisions of the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary General Meeting within ten days after receipt of the proposal. If the Board of Directors agrees to convene an extraordinary General Meeting, it shall issue a notice of the convening of the General Meeting within five days after it has made a resolution of the Board of Directors, and any changes to the original proposal in the notice shall be approved by the Supervisory Committee. If the Board of Directors does not agree to convene an extraordinary General Meeting, or fails to provide feedback on the proposal within ten days after receipt of the proposal, it shall be deemed that the Board of Directors is unable to fulfill, or fails to fulfill, its duty to convene a General Meeting, and the Supervisory Committee may convene and preside over an extraordinary General Meeting on its own.

Shareholders who individually or collectively hold 10% or more of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary General Meeting, and any proposal by a shareholder to convene an extraordinary General Meeting shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary General Meeting within ten days after receiving the request. Where the Board of Directors agrees to convene an extraordinary General Meeting, it shall issue a notice of convening the General Meeting within five days after the Board of Directors' resolution is made, and shall obtain the consent of the relevant shareholders for any changes to the original request as set out in the notice. If the Board of Directors does not agree to convene an extraordinary General Meeting or fails to respond within ten days after receiving the request, shareholders holding individually or collectively 10% or more of the shares of the Company shall have the right to propose to the Supervisory Committee to convene an extraordinary General Meeting, and the shareholders' proposal to the Supervisory Committee to convene an extraordinary General Meeting shall be made in writing to the Supervisory Committee. If the Supervisory Committee agrees to convene an extraordinary General Meeting, it shall issue a notice of the convening of the General Meeting within five days upon receipt of the request, and shall obtain the consent of the relevant shareholders for any changes to the original request in the notice. If the Supervisory Committee fails to give notice of a General Meeting within the prescribed period, it shall be deemed that the Supervisory Committee does not convene and preside over the General Meeting, and that shareholders who have individually or collectively held 10% or more of the Company's shares for a period of ninety consecutive days or more may convene and preside over the meeting on their own.

If the Supervisory Committee or the shareholders convene a General Meeting on their own, the necessary expenses shall be borne by the Company.

**Notice of General Meetings**

The Company shall give written notice of an annual General Meeting at least twenty-one days before the meeting, and the Company shall give written notice of an extraordinary General Meeting fifteen days before the meeting.

The notice of a General Meeting shall include the following contents:

- (1) the time and place of the meeting and the duration of the meeting;
- (2) matters and proposals to be submitted for consideration at the meeting;
- (3) a statement in conspicuous language that all shareholders have the right to attend the meeting and may appoint a proxy in writing to attend and vote at the meeting, and that the proxy need not be a shareholder of the Company;
- (4) the registration date of the shareholders entitled to attend the General Meeting;
- (5) the name and telephone number of the standing contact person for the meeting; and
- (6) the time and procedure for voting by internet or other means.

The notice of General Meeting and supplemental notice shall contain the contents as required by laws, administrative regulations, departmental rules, the Listing Rules of the Hong Kong Stock Exchange and the Articles of Association, and shall fully and completely disclose all specific details of all proposals. Where the matters to be discussed require the opinion of the independent non-executive directors, the opinion of the independent non-executive directors and the reasons therefor will be disclosed at the same time when the notice of General Meeting or supplementary notice is published. The notice of General Meeting shall provide a full and clear explanation of the proposals for the meeting and, in respect of the motions to be voted on, the directors' recommendations on how the shareholders should vote in the best interests of the shareholders as a whole. The notice of General Meeting should clearly state whether (and how) shareholders who participate in the meeting remotely may vote.

**Proposals at General Meeting**

When the Company convenes a General Meeting, the Board of Directors, the Supervisory Committee, and shareholders who individually or collectively hold more than 1% of the Company's shares shall have the right to submit proposals to the Company. The convener shall include in the agenda of the General Meeting those items in the proposal that fall within the scope of the duties of the meeting.

Shareholders who individually or collectively hold more than 1% of the shares of the Company may, ten days prior to the date of the General Meeting, propose an interim proposal and submit it in writing to the convener. The convener shall issue a supplementary notice of the General Meeting within two days after receiving the proposal, announcing the contents of the interim proposal.

Except for the cases stipulated in the preceding paragraph, the convener shall not amend the proposals already set forth in the notice of General Meeting or add new proposals after the convener has issued the notice of General Meeting.

### **Proxy for General Meeting**

A shareholder shall appoint a proxy in writing under the signature of the principal or under the signature of his proxy appointed in writing; if the principal is a legal person, the seal of the legal person shall be affixed or the signature shall be that of its director or duly appointed proxy.

### **Resolutions at General Meeting**

Resolutions at General Meetings can be divided into ordinary resolutions and special resolutions.

Ordinary resolutions shall be passed by a majority of the votes of the shareholders (including shareholders' proxies) present at the General Meeting. Special resolutions shall be passed by more than two-thirds of the votes of the shareholders (including shareholders' proxies) present at the General Meeting.

Shareholders (including shareholders' proxies) exercise their voting rights by the number of voting shares they represent, with each share entitled to one vote. The shares in the company held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the General Meeting.

The following matters shall be approved by ordinary resolution at the General Meeting:

- (1) a report on the work of the Board of Directors or the Supervisory Committee;
- (2) profit distribution plan and loss recovery plan prepared by the Board of Directors;
- (3) appointment and removal of members of the Board of Directors and the Supervisory Committee and their remuneration and methods of payment;
- (4) The annual budget plan and final account plan of the Company;
- (5) the annual report of the Company; and

- (6) Matters other than those prescribed by laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed, or the Articles of Association, which shall be passed by special resolution.

The following matters shall be passed by special resolution at a General Meeting:

- (1) The increase or reduction of the registered capital of the Company;
- (2) The separation, division, merger, dissolution and liquidation of the Company;
- (3) Amendments to the Articles of Association of the Company;
- (4) The purchase or sale of material assets or the amount of guarantees by the Company within one year that individually or cumulatively exceeds 30% of the Company's total audited assets for the most recent period;
- (5) Equity incentive plan;
- (6) Repurchase of the Company's shares; and
- (7) Any other matters required by laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed or the Articles of Association, and any other matters which the General Meeting may by ordinary resolution determine will have a material impact on the Company and which require the approval of a special resolution.

When matters relating to connected transactions are considered at a General Meeting, connected shareholders shall not participate in the voting, and the number of voting shares represented by them shall not be counted towards the total number of valid votes cast; and the announcement of the resolution of the General Meeting shall provide adequate disclosure of the voting status of the non-connected shareholders.

**DIRECTORS AND BOARD OF DIRECTORS****Directors**

The directors of the Company are natural persons.

Directors are elected or replaced by the General Meeting and may be removed by the General Meeting before the expiration of their terms of office. The term of office of the directors is three years and they are eligible for re-election.

The term of office of a director is calculated from the date of assumption of office until the expiration of the current term of office of the Board of Directors. If a director is not re-elected in time for the expiration of his/her term of office, the original director shall still fulfill his/her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the re-elected director assumes office.

A director may resign before the expiration of his term of office. A director who resigns shall submit a written resignation report to the Board of Directors. The Board will disclose the relevant circumstances within two days. In the event that the Board of Directors of the Company becomes less than a quorum due to the resignation of a director, the original director shall still perform the duties of a director in accordance with the laws, administrative regulations, departmental regulations and the provisions of the Articles of Association until the re-elected director assumes office.

Except for the circumstances listed in the preceding paragraph, the resignation of a director shall take effect from the time the resignation report reaches the Board of Directors.

**Chairman of the Board**

The Board of Directors shall have one chairman and if necessary, vice chairmen, who shall be elected by a majority of all directors. The term of office shall be three years, renewable upon re-election.

The chairman of the Board of Directors is entitled to the following functions and powers:

- (1) to preside over General Meetings and to convene and preside over board meetings;
- (2) to supervise and check on the implementation of resolutions of the General Meeting and the Board of Directors;
- (3) to exercise other functions and powers as conferred by the Board of Directors.



**Board of Directors**

The Board of Directors shall consist of 9 directors, of which not less than 3 shall be independent non-executive directors and shall constitute at least one-third of the Board.

The Board of Directors shall be accountable to the General Meeting and exercise the following powers and functions:

- (1) To convene the General Meeting and report to the General Meeting on its work;
- (2) To execute the resolutions of the General Meeting;
- (3) Formulating strategic plans for the medium- and long-term development of the Company and monitoring and adjusting their implementation;
- (4) Determining the Company's business objectives, business plans and investment and financing programs;
- (5) To formulate the annual financial budget and finalization plan of the Company;
- (6) To formulate the profit distribution plan and the loss recovery plan of the Company;
- (7) To formulate plans for the increase or reduction of the registered capital, issuance of bonds or other securities and listing of the Company;
- (8) Formulating plans for major acquisitions, acquisition of the Company's shares, or mergers, demergers, dissolutions or changes in the form of the Company;
- (9) Within the scope of authorization by the General Meeting, to decide on the Company's external investment, acquisition and disposal of assets, pledge of assets, external guarantee matters, entrustment of financial affairs, connected transactions, and external donations;
- (10) To decide on the establishment and staffing of the corresponding working organizations of the Board of Directors and the internal management organizations of the Company;
- (11) To decide to appoint or dismiss the general manager of the Company, and decide on his remuneration, rewards and punishments; according to the nomination of the general manager, decide to appoint or dismiss the deputy general manager, the Secretary to the Board of Directors, the financial controller and other Senior Executives personnel of the Company, and decide on their remuneration, rewards and punishments;
- (12) To formulate the basic management system of the Company;

- (13) To formulate proposals for amendments to the Articles of Association;
- (14) To manage the disclosure of information of the Company;
- (15) Proposing to the General Meeting the appointment or replacement of the accounting firm for the audit of the Company;
- (16) To receive reports on the work of the general manager of the Company and to inspect the work of the general manager;
- (17) To authorize the chairman of the Board of Directors and the general manager of the Company to decide on major matters of the Company within the scope of authorization;
- (18) Overseeing and approving major environmental, social and governance matters, identifying potential risks in business development plans and making decisions based on the recommendations made; and
- (19) Other duties and responsibilities as stipulated in the laws, regulations and the listing rules of the stock exchange where the Company's shares are listed, and as conferred by the General Meeting and the Articles of Association.

The resolution of the Board of Directors in the preceding paragraph shall be approved by a majority vote of the Directors.

The Board of Directors of the Company shall give an explanation to the General Meeting regarding the non-standard audit opinion on the Company's financial reports issued by the certified public accountants.

Board meetings are divided into regular and ad hoc meetings. The Board of Directors shall hold at least two regular meetings each year, which shall be convened by the Chairman of the Board of Directors.

Notification of the convening of the Board of Directors and interim Board of Directors meetings shall be made by hand delivery, mail or facsimile; and the time limit for notification shall be as follows: fourteen days prior to the convening of a regular meeting of the Board of Directors, and in principle, five days prior to the convening of an interim Board of Directors meeting, all Directors, Supervisors, the General Manager, and the Secretary of the Board of Directors shall be notified in writing of the convening of the Board of Directors' meeting.

In case of emergency, if it is necessary to convene an interim board meeting as soon as possible, notice of the meeting may be given by telephone or other verbal means at any time, but the convener shall give an explanation at the meeting and record it in the minutes.

When voting on board resolutions, each director shall have one vote.

The voting options open to directors are consent, opposition or abstention. The directors present at a meeting shall select one from among the foregoing options. If a director fails to select any of the options or selects two or more of the options, the chairman of the meeting shall require him or her to select again. If he or she refuses to make a selection, he or she shall be deemed to abstain. If a director leaves the venue during the course of a meeting without returning to make a selection, he or she shall be deemed to abstain.

If at least one-quarter of the directors present at the meeting or at least two independent non-executive directors believe that they are unable to reach a determination on a relevant matter because the motion of the Board of Directors is unclear or unspecific, the meeting materials are insufficient or other such reason, they may jointly propose that discussion of the motion in question may be postponed to a later time. In such circumstances, the Board of Directors shall accept the proposal.

### **GENERAL MANAGER AND OTHER SENIOR EXECUTIVES**

The Company has a general manager, who is nominated by the chairman of the Board of Directors and appointed or dismissed by the Board of Directors. According to the needs, there may be a number of deputy general managers, a chief financial officer and a Secretary of the Board of Directors. The term of office of the general manager and deputy general manager shall be three years, and they may be reappointed for a second term.

The general manager shall be responsible to the Board of Directors and exercise the following powers and functions:

- (1) To preside over the production and operation management of the Company, to organize and implement the resolutions of the Board of Directors, and to report to the Board of Directors on his work;
- (2) Organize and implement the annual business plan and investment plan of the Company;
- (3) To formulate plans for the establishment of the Company's internal management organization;
- (4) To formulate the basic management system of the Company;
- (5) To formulate specific rules and regulations of the Company;
- (6) To propose to the Board of Directors the appointment or dismissal of the Vice President, Chief Financial Officer, Secretary of the Board of Directors and other Senior Executives personnel of the Company;
- (7) To be responsible for handling major emergencies of the Company;

- (8) Deciding and handling external affairs on behalf of the Company within the scope of the authority delegated by the Board of Directors;
- (9) To study and propose the Company's strategic planning and medium and long-term development plans;
- (10) To formulate the Company's annual operating budget, investment budget and financial budget plan;
- (11) Other duties and responsibilities as authorized by the Articles of Association or the Board of Directors.

The Senior Executives of the Company shall faithfully perform their duties to safeguard the best interests of the Company and all shareholders. Senior Executives of the Company shall be liable for compensation in accordance with the law for any damage caused to the interests of the Company and the public shareholders as a result of their failure to faithfully perform their duties or breach of the duty of good faith.

## **SUPERVISORS AND SUPERVISORY COMMITTEE**

### **Supervisors**

Directors, general managers and other Senior Executives personnel may not concurrently serve as Supervisors. Supervisors shall serve terms of three years. Upon expiration of their term, supervisors may serve consecutive terms if reelected.

### **Supervisory Committee**

The Company has a Supervisory Committee. The Supervisory Committee shall be composed of three supervisors, including one staff representative supervisor, who shall be democratically elected by the staff representative meeting of the Company or in other forms. The Supervisory Committee shall have a chairman, who shall be elected by a majority of all the supervisors.

The Supervisory Committee shall be accountable to the General Meeting and shall exercise the following powers and duties in accordance with the law.

- (1) to examine and give written opinions on the periodic reports of the Company prepared by the Board of Directors;
- (2) to inspect the Company's financial affairs;

- (3) to supervise the conduct of directors and Senior Executives in the performance of their duties in the Company, and to propose the removal of directors and Senior Executives in the event of any violation of the laws, administrative regulations, the Articles of Association, or the resolution of the General Meeting;
- (4) to request the directors, general manager and Senior Executives to rectify the behavior of the directors and Senior Executives when such behavior is detrimental to the interests of the Company;
- (5) to propose the convening of an extraordinary General Meeting, and to convene and preside over the General Meeting in accordance with the law when the Board of Directors fails to fulfill its duty to convene and preside over the General Meeting as stipulated in the PRC Company Law;
- (6) to make proposals to the General Meeting;
- (7) to institute legal proceedings against directors and Senior Executives in accordance with the provisions of Article 189 of the PRC Company Law;
- (8) to investigate any abnormality in the operation of the Company; and if necessary, to engage professional organizations such as accounting firms and law firms to assist it in its work.

Reasonable expenses incurred by the Supervisory Committee for hiring lawyers, certified public accountants, certified public auditors and other professionals in the exercise of its duties and powers shall be borne by the Company.

#### **ELIGIBILITY AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, AND SENIOR EXECUTIVES**

The directors of the Company are natural persons. Any person who satisfies the following shall not act as a Director, Supervisor, general manager or other Senior Executives.

- (1) who has no or limited civil capacity;
- (2) who was sentenced to any criminal penalty for corruption, bribery, embezzlement or misappropriation of properties or destruction of the order of China socialist market-oriented economy, or who was deprived of political rights due to crime, and such sentence has expired for no more than five years, or who was granted probation, if no more than two years have passed since the expiration of the probation period;

- (3) who acted as director, factory manager, manager of a bankrupt or liquidated company or corporation, and personally liable for the bankruptcy of such company or corporation, and a three-year period has not elapsed since the completion of bankruptcy or liquidation of such company or corporation;
- (4) who acted as the legal representative of a company or corporation whose business licence was revoked or which was ordered to close down due to a violation of law and who is personally accountable for the revocation or closure of such company or corporation, and a three-year period has not elapsed since the revocation of the business licence or the order to close down of such company or corporation;
- (5) who was listed as a dishonest person subject to enforcement by the people's court due to failure to pay off a large amount of unliquidated mature debts;
- (6) who has been barred from the securities market by the CSRC for a certain period of time and such period has not expired yet;
- (7) any other circumstances stipulated by applicable laws, administrative regulations, departmental rules.

The Directors shall comply with the applicable laws, administrative regulations and the Articles of Association and assume the duty of loyalty to our Company. Such obligations include:

- (1) shall not accept any bribery or other illegal income by using his or her powers and position and shall not seize the assets of our Company;
- (2) shall not misappropriate our Company's funds;
- (3) shall not open accounts in his/her own name or in the names of others to deposit funds or assets of our Company;
- (4) shall not lend our Company's funds to others or pledge Company's properties to others in violation of the Articles of Association or without the approval of the General Meeting or the Board;
- (5) himself/herself and his/her close relatives, enterprises directly or indirectly controlled by himself/herself and his/he close relatives, and other connected persons of the Directors shall not enter into contracts or transactions with the Company in violation of the provisions of the Articles of Association or without the consent of the General Meeting;

- (6) without the consent of the General Meeting, shall not take advantage of the convenience of his/her duties to obtain for himself/herself or others business opportunities that should belong to the Company, and to engage in the operation of similar businesses with the Company on himself/herself or for others;
- (7) shall not accept commissions for transactions between others and our Company as personal gains;
- (8) shall not disclose any confidential information involving our Company without authorization;
- (9) shall not impair the interests of our Company through affiliated relationship;
- (10) other loyalty obligations in accordance with applicable laws, administrative regulations, departmental rules and the Articles of Association.

The Senior Executives assume the aforementioned duty of loyalty.

The Directors shall comply with the applicable laws, administrative regulations and the Articles of Association and assume the duty of diligence to our Company. Such obligations include:

- (1) shall exercise the powers granted by our Company with carefully, faithfully, and diligently so that the business carried out by our Company is in compliance with applicable laws, administrative regulations and economic policies, and such business activities are within the scope of business licence specified in our Company's business licence;
- (2) shall treat all Shareholders equally;
- (3) shall stay informed with the business and operation of our Company timely;
- (4) shall sign written confirmation opinion with regard to regular reports of our Company and ensure the disclosure made by our Company is true, accurate and complete;
- (5) shall report to the Supervisory Committee truthfully and shall not hinder the Supervisory Committee or the Supervisors from performing their duty;
- (6) other diligence obligations in accordance with applicable laws, administrative regulations, departmental rules and the Articles of Association.

The Senior Executives assume the aforementioned obligations in items (4), (5) and (6).

Supervisors shall observe laws, administrative regulations and the Company's Articles of Association and shall assume the duty of loyalty and the duty diligence to the Company, not to accept any bribery or other illegal income by using his powers and position, nor seize the assets of the Company in any manner.

#### **FINANCIAL ACCOUNTING POLICY**

The Company has formulated the Company's financial accounting system in accordance with the laws of the PRC and the provisions of the PRC Accounting Standards formulated by the relevant state departments.

The Board shall submit to the shareholders at each annual General Meeting a financial report required by the relevant laws to be prepared by the Company to the shareholders.

Our Company shall not establish other accounting books than those required by laws. Our Company's assets shall not be deposited into any account opened in the name of any individual person.

The financial report of the Company shall be made available for inspection by the shareholders not later than twenty-one days prior to the annual General Meeting of the Company. The Company shall send the aforesaid report to each shareholder of offshore listed foreign shares at least twenty-one days prior to the annual General Meeting by a postage-paid mail to the address registered in the register of shareholders. The Company may do so in the form of an announcement (including publication through the Company's website), provided that the conditions of laws, administrative regulations and the listing rules of the place where the Company is listed are satisfied.

#### **PROFITS DISTRIBUTION**

To distribute after-tax profits of current year, our Company shall allocate 10% of profits for the statutory reserves of our Company. If the cumulative amount of statutory reserves exceeds 50% of the registered capital of our Company, no further allocation is required. If the statutory reserves are insufficient to make up previous losses, then our Company shall firstly make up previous losses with current profits, before any allocation is made to the statutory reserves in accordance with the preceding paragraph.

After foregoing provision for statutory reserves, our Company may also draw discretionary reserves from after-tax profits, subject to the resolution of the General Meeting.

The remaining after-tax profits after loss makeup and provisions for reserves shall be distributed to Shareholders in proportion to their shareholding percentages unless otherwise provided in the Articles of Association.



If the General Meeting breaches the foregoing provisions and distributes profits to Shareholders, then Shareholders shall refund the distributed profits to our Company in violation of the foregoing provisions, and where any losses are incurred to our Company, Shareholders and each liable Director, supervisor and Senior Executives shall be liable for compensation for such losses.

The shares held by our Company per se shall not participate in the profit distribution.

The reserves of our Company are used to make up losses, expand business, or increase the registered capital of our Company. Where any losses need to be covered with reserves of our Company, discretionary reserves and statutory reserves shall first be used and if still insufficient, capital reserves can be used in accordance with applicable provisions.

When the statutory reserves are reversed into increasing capital, the remaining amount of said reserves shall not be less than 25% of the registered capital of our Company before such reversal.

The Company shall appoint a collection agent for the shareholders holding the offshore listed foreign shares. The collection agent shall receive on behalf of the shareholder concerned the dividends and other sums payable by the Company in respect of the offshore listed foreign shares and shall hold such sums in trust for the shareholder concerned.

The collection agent appointed by our Company shall meet the requirements of laws of the place of listing and the relevant regulations of the stock exchange.

The collection agent appointed by the Company for the shareholders of offshore listed foreign shares listed on the Hong Kong Stock Exchange shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Payment of cash dividends and other payments by the Company to the domestic shareholders shall be made in Renminbi. Cash dividends and other payments by the Company to shareholders of offshore listed foreign shares shall be denominated and declared in RMB and paid in foreign currencies. Payment of cash dividends and other amounts in foreign currencies by the Company to shareholders of offshore listed foreign shares and other shareholders of foreign shares shall be made in accordance with the provisions of the relevant state regulations on foreign exchange control.

#### **ENGAGEMENT OF ACCOUNTING FIRM**

The Company shall engage an independent accounting firm that complies with the Securities Law to audit the accounting statements, the verification of net assets and other related consulting services, for a term of one year, which can be renewed.

The engagement of an accounting firm by the Company must be decided by the General Meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made by the General Meeting.

The Company guarantees to provide true and complete accounting certificates, accounting books, financial accounting reports, and other accounting information to the Certified Public Accountant (“CPA”) firm engaged, and shall not refuse, conceal, or misrepresent such information.

The decision for the Company to employ, terminate or not to re-appoint an accounting firm shall be made by the General Meeting.

### **MERGER AND DIVISION OF OUR COMPANY**

The merger of our Company may take two forms: merger by absorption or merger by new establishment.

In a merger of our Company, all parties to a merger shall sign the merger agreement and shall prepare their respective balance sheets and inventory lists of assets. Our Company shall notify its creditors within 10 days from the date of passing the merger resolution and to make announcement in newspaper or on the National Enterprise Credit Information Publicity System, as well as on the Company’s website and the website of the stock exchange within 30 days. A creditor has the right within thirty days of receipt of the notice from the Company or, in the case of creditor who does not receive such notice, within forty-five days of the date of announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt. Upon the merger, the creditors’ rights and the indebtedness of each merging party shall be assumed by the surviving entity or the newly established company resulting from the merger.

Where our Company is to be divided, its assets shall be divided accordingly. In the event of the division of our Company, the parties to such division shall prepare a balance sheet and a list of assets. Our Company shall notify its creditors within 10 days from the date of the resolution on such division and shall make a public announcement through newspapers or the National Enterprise Credit Information Publicity System, as well as on the Company’s website and the website of the stock exchange within 30 days from the date of the resolution on such division. The post-division Company shall be jointly and severally liable for the pre-division debts of our Company, unless provided otherwise in a written agreement pertaining to the payment of debts between our Company and its creditors prior to the division.

The Company shall, in accordance with law, apply for change in its registration with the Company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

**DISSOLUTION AND LIQUIDATION OF OUR COMPANY**

Our Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) expiry of the valid term of the business or the occurrence of other events of dissolution as stated in the Articles of Association;
- (2) a resolution for dissolution is passed by a General Meeting;
- (3) dissolution is necessary due to a merger or division of our Company;
- (4) our Company is revoked of business licence, ordered to close or cancelled according to law;
- (5) serious difficulties arise in the operation and management of our Company and its continued existence would cause material loss to the interests of the Shareholders and such difficulties cannot be resolved through other means, in which case Shareholders holding at least 10% of all shareholders' voting rights may petition a people's court to dissolve our Company.

Where our Company is dissolved in accordance with the provisions of items (1), (2), (4) and (5) above, a liquidation committee shall be formed within 15 days after the occurrence of the event of dissolution to deal with matters of the liquidation. The members of the liquidation committee shall be Directors or other persons appointed by a General Meeting. If a liquidation committee is not established in time or the liquidation fails to effect after the establishment of a liquidation committee, the Creditor may apply to the people's court to establish a liquidation committee by their appointment to proceed with the liquidation.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) to dispose of the property of our Company, and to prepare a balance sheet and a list of properties;
- (2) to inform creditors by notice and public announcement;
- (3) to dispose of unfinished business of our Company relating to the liquidation;
- (4) to pay up all outstanding taxes and tax arising during the liquidation process;

- (5) to clear up claims and debts;
- (6) to distribute the residual properties of our Company after the full settlement of debts;
- (7) to represent our Company in civil litigations.

The liquidation committee shall notify the creditors within 10 days after its establishment, and publish announcements in the newspaper(s) or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall, within thirty days from the date of receiving the notice; or for creditors who do not receive the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation committee.

The creditor shall provide a description and supporting evidence of the matters relating to their claims. The liquidation committee shall register the creditors' claims.

The liquidation committee shall not make any debt settlement during the period of declaration of claims.

A liquidation plan shall be formulated by the liquidation committee after the stocktaking of our Company's assets has been carried out and the balance sheet and a detailed inventory of assets have been formulated, and shall be submitted to the General Meeting or People's Court for confirmation.

The assets of our Company shall be applied for liquidation in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of our Company's debts. The residual assets of our Company after settlement of all liabilities in accordance with the provisions of the preceding article shall be distributed to the Shareholders of our Company according to the proportion of their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not commence any new business activities. Before our Company's debts have been fully repaid in accordance with the provisions of the preceding paragraph, no assets of our Company shall be distributed to its Shareholders.

When the liquidation committee, having examined our Company's assets and having prepared a balance sheet and an inventory of assets, discovers that our Company's assets are insufficient to pay its debts in full, it shall immediately apply to the People's Court for a declaration of insolvency. Once the People's Court has declared our Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the People's Court.

Upon completion of the liquidation of the Company, the liquidation group shall prepare a liquidation report as well as a statement of income and expenditure and financial books during the liquidation period, which shall be verified by a certified public accountant in the PRC and reported to the General Meeting or the People's Court for confirmation, and within thirty days from the date of the confirmation by the General Meeting or the People's Court, shall submit the aforesaid documents to the Company's registration authority, apply for the cancellation of the Company's registration, and announce the Company's termination of its operation.

#### **AMENDMENT TO THE ARTICLES OF ASSOCIATION**

The Company may amend the Articles of Association in accordance with laws, administrative regulations and the provisions of the Articles of Association. Under one of the following circumstances, our Company shall amend the Articles of Association:

- (1) After the amendment of the PRC Company Law, the Listing Rules of the Hong Kong Stock Exchange or the relevant laws and administrative regulations, the matters provided for in the Articles of Association are inconsistent with the provisions of the amended laws and administrative regulations;
- (2) Changes in the circumstances of the Company which are inconsistent with the matters recorded in the Articles of Association; and
- (3) The General Meeting decides to amend the Articles of Association.

If the amendments to the Articles of Association resolved by the General Meeting should be subject to the approval of the competent authorities, they shall be reported to the competent authorities for approval. If the amendment involves matters relating to the registration of the Company, the amendment shall be registered in accordance with the law. Matters relating to the amendment of the Articles of Association that are required by laws and regulations to be disclosed shall be announced in accordance with the regulations.

**A. FURTHER INFORMATION ABOUT OUR GROUP****1. Incorporation of our Company**

Our Company was established as a limited liability company in the PRC on March 6, 2015 and was converted into a joint stock limited company on December 7, 2022 under the laws of the PRC. As of the Latest Practicable Date, the share capital of our Company is RMB34,080,000, divided into 34,080,000 Shares with a par value of RMB1.0 each.

Our place of business in Hong Kong is at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance with the Registrar of Companies in Hong Kong on November 8, 2024. Ms. Wong Hoi Ting has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong whose address for service of process is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

As our Company was established in the PRC, its operations 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 the Articles of Association is set out in Appendices IV and V to this prospectus, respectively.

**2. Changes in share capital of our Company**

The following sets out the changes in the share capital of our Company within two years immediately preceding the date of this prospectus:

- (a) pursuant to a share subscription agreement dated March 26, 2024, entered into by our Company with, among others, certain Pre-IPO Investors including (i) Chengyu Fund, (ii) Chengdu Wutongshu, (iii) Chengdu Wufa, (iv) Chengdu Tongchuang, (v) Chongqing Jiangjin and (vi) Jiaxing Jiuqian, the above Pre-IPO Investors subscribed for a total of 1,760,000 Shares at a total consideration of RMB110.0 million. As a result of such share subscription, the share capital of our Company increased from RMB32,000,000, divided into 32,000,000 Shares with a par value of RMB1.0 each, to RMB33,760,000, divided into 33,760,000 Shares with a par value of RMB1.0 each. Such share subscription and increase in share capital was registered with Chengdu Market Supervision and Management Bureau on March 29, 2024; and
- (b) pursuant to a share subscription agreement dated June 26, 2024, entered by our Company, Peikun Investment and other Shareholders, Peikun Investment subscribed for a total of 320,000 Shares at a total consideration of RMB20.0 million. As a result of such share subscription, the share capital of our Company increased from RMB33,760,000, divided into 33,760,000 Shares with a par value of RMB1.0 each, to RMB34,080,000, divided into 34,080,000 Shares with a par value of RMB1.0 each. Such share subscription and increase in share capital were registered with Chengdu Market Supervision and Management Bureau on June 28, 2024.

For further details, see “History, Development and Corporate Structure — Corporate Development of our Company” in this prospectus. Save as disclosed above, there has been no other alteration in the share capital of our Company within two years immediately preceding the date of this prospectus.

### **3. Changes in share capital of our subsidiaries**

A summary of the corporate information and particulars of our subsidiaries as at June 30, 2025 are set out in Note 1 to the Accountants’ Report as set out in Appendix I to this prospectus.

On April 18, 2024, the registered capital of Haitang Dongsheng increased from RMB5.0 million to RMB10.0 million.

On December 30, 2024, the registered capital of Nuobikan Chongqing increased from RMB19.0 million to RMB90.0 million.

Save as disclosed above, as of the Latest Practicable Date, there has been no alteration in the share capital of any of our subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

### **4. Resolutions of the Shareholders**

Pursuant to a general meeting of our Shareholders held on October 21, 2024, the following resolutions, among others, were passed by our Shareholders:

- (a) the issuance by our Company of H Shares of nominal value of RMB1.0 each and such H Shares be listed on the Stock Exchange;
- (b) the number of H Shares to be issued shall not be more than 10% of the total issued share capital of our Company as enlarged by the Global Offering, and the grant to the Underwriters (or their representatives) of the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;
- (c) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association which shall become effective on the Listing Date, and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and
- (d) authorization of our Board to handle all relevant matters relating to, among other things, the issue and listing of the H Shares.



**B. FURTHER INFORMATION ABOUT OUR BUSINESS****1. Summary of material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or any member of our Group within two years preceding the date of this prospectus and are or may be material:

- (a) the share subscription agreement (股份認購協議) dated March 26, 2024 entered into by our Company, Liao Yu (廖峪), Tang Taike (唐泰可), Lin Renhui (林仁輝), Su Maocai (蘇茂才), Chengdu Tieke Chuangzhi Enterprise Management Partnership (Limited Partnership)\* (成都鐵科創智企業管理合夥企業(有限合夥)), Chengdu Tieke Intelligent Enterprise Management Partnership (Limited Partnership)\* (成都鐵科智能企業管理合夥企業(有限合夥)), Zhang Xiaojun (張小軍), Zheng Sanzhong (鄭三忠), Li Peng (李鵬), Lishui Bojiang Furui Equity Investment Fund Partnership (Limited Partnership)\* (麗水博將福睿股權投資基金合夥企業(有限合夥)), Lishui Bojiang Chuangfu No. 2 Equity Investment Partnership (Limited Partnership)\* (麗水博將創富二號股權投資合夥企業(有限合夥)), Lishui Bojiang Science and Technology Innovation Equity Investment Partnership (Limited Partnership)\* (麗水博將科創股權投資合夥企業(有限合夥)), Lishui Bojiang Yueheng Equity Investment Partnership (Limited Partnership)\* (麗水博將悅恒股權投資合夥企業(有限合夥)), Lishui Bojiang Xingyi Equity Investment Partnership (Limited Partnership)\* (麗水博將興奕股權投資合夥企業(有限合夥)), Beijing Pufeng Yunhua Emerging Industry Entrepreneurship Investment Center (Limited Partnership)\* (北京普豐雲華新興產業創業投資中心(有限合夥)), Yayi Venture Capital (Wuyi) Co., Ltd.\* (雅藝創業投資(武義)有限公司), Hainan Wangzhong Investment Partnership (Limited Partnership)\* (海南望眾投資合夥企業(有限合夥)), Wei Wenyan (韋文彥), Fan Zhihe (范志和), Rongchuang (Zibo) Equity Investment Partnership (Limited Partnership)\* (蓉創(淄博)股權投資合夥企業(有限合夥)), Hainan Wangzhong Mingxin Venture Capital Partnership (Limited Partnership)\* (海南望眾明信創業投資合夥企業(有限合夥)), Lishui Bojiang Hongda Equity Investment Partnership (Limited Partnership)\* (麗水博將弘達股權投資合夥企業(有限合夥)), Lishui Bojiang Junjing Equity Investment Partnership (Limited Partnership)\* (麗水博將珺璟股權投資合夥企業(有限合夥)), Lishui Bojiang Dingsheng No. 17 Equity Investment Partnership (Limited Partnership)\* (麗水博將鼎昇十七號股權投資合夥企業(有限合夥)), Gao Hejian (高賀健), Zhao Dandan (趙丹丹), Wushuang (吳爽), Chongqing Chengyu Tuanjie Lake Strategic Emerging Industry Private Equity Investment Fund Partnership (Limited Partnership)\* (重慶市成渝團結湖戰略性新興產業私募股權投資基金合夥企業(有限合夥)), Chengdu Wutongshu Innovation Venture Capital Partnership (Limited Partnership)\* (成都梧桐樹創新創業投資合夥企業(有限合夥)), Chengdu Wufa Technology Innovation Investment Co., Ltd.\* (成都武發科技創新投資有限公司), Chengdu Tongchuang Zhixing Enterprise Management Consulting Partnership (Limited Partnership)\* (成都同創知行企業管理諮詢合夥企業(有限合夥)), Chongqing Jiangjin District Private Equity Investment Fund Partnership (Limited Partnership)\* (重慶市江津區私募股權投資基金合夥企業(有限合夥)), and Jiaxing



Jiuqian Venture Capital Partnership (Limited Partnership)\* (嘉興九乾創業投資合夥企業(有限合夥)), pursuant to which (i) Chongqing Chengyu Tuanjie Lake Strategic Emerging Industry Private Equity Investment Fund Partnership (Limited Partnership)\* (重慶市成渝團結湖戰略性新興產業私募股權投資基金合夥企業(有限合夥)) agreed to subscribe 480,000 Shares at a consideration of RMB30,000,000; (ii) Chengdu Wutongshu Innovation Venture Capital Partnership (Limited Partnership)\* (成都梧桐樹創新創業投資合夥企業(有限合夥)) agreed to subscribe 80,000 Shares at a consideration of RMB5,000,000; (iii) Chengdu Wufa Technology Innovation Investment Co., Ltd.\* (成都武發科技創新投資有限公司) agreed to subscribe 479,520 Shares at a consideration of RMB29,970,000; (iv) Chengdu Tongchuang Zhixing Enterprise Management Consulting Partnership (Limited Partnership)\* (成都同創知行企業管理諮詢合夥企業(有限合夥)) agreed to subscribe 480 Shares at a consideration of RMB30,000; (v) Chongqing Jiangjin District Private Equity Investment Fund Partnership (Limited Partnership)\* (重慶市江津區私募股權投資基金合夥企業(有限合夥)) agreed to subscribe 480,000 Shares at a consideration of RMB30,000,000; and (vi) Jiaxing Jiuqian Venture Capital Partnership (Limited Partnership)\* (嘉興九乾創業投資合夥企業(有限合夥)) agreed to subscribe 240,000 Shares at a consideration of RMB15,000,000;

- (b) the share subscription agreement (股份認購協議) dated June 26, 2024 entered into by our Company, Liao Yu (廖峪), Tang Taiké (唐泰可), Lin Renhui (林仁輝), Su Maocai (蘇茂才), Chengdu Tieké Chuangzhi Enterprise Management Partnership (Limited Partnership)\* (成都鐵科創智企業管理合夥企業(有限合夥)), Chengdu Tieké Intelligent Enterprise Management Partnership (Limited Partnership)\* (成都鐵科智能企業管理合夥企業(有限合夥)), Zhang Xiaojun (張小軍), Zheng Sanzhong (鄭三忠), Li Peng (李鵬), Lishui Bojiang Furui Equity Investment Fund Partnership (Limited Partnership)\* (麗水博將福睿股權投資基金合夥企業(有限合夥)), Lishui Bojiang Chuangfu No. 2 Equity Investment Partnership (Limited Partnership)\* (麗水博將創富二號股權投資合夥企業(有限合夥)), Lishui Bojiang Science and Technology Innovation Equity Investment Partnership (Limited Partnership)\* (麗水博將科創股權投資合夥企業(有限合夥)), Lishui Bojiang Yueheng Equity Investment Partnership (Limited Partnership)\* (麗水博將悅恆股權投資合夥企業(有限合夥)), Lishui Bojiang Xingyi Equity Investment Partnership (Limited Partnership)\* (麗水博將興奕股權投資合夥企業(有限合夥)), Beijing Pufeng Yunhua Emerging Industry Entrepreneurship Investment Center (Limited Partnership)\* (北京普豐雲華新興產業創業投資中心(有限合夥)), Yayi Venture Capital (Wuyi) Co., Ltd.\* (雅藝創業投資(武義)有限公司), Hainan Wangzhong Investment Partnership (Limited Partnership)\* (海南望眾投資合夥企業(有限合夥)), Wei Wenyan (韋文彥), Fan Zhihe (范志和), Rongchuang (Zibo) Equity Investment Partnership (Limited Partnership)\* (蓉創(淄博)股權投資合夥企業(有限合夥)), Hainan Wangzhong Mingxin Venture Capital Partnership (Limited Partnership)\* (海南望眾明信創業投資合夥企業(有限合夥)), Lishui Bojiang Hongda Equity Investment Partnership (Limited Partnership)\* (麗水博將弘達股權投資合夥企業(有限合夥)), Lishui Bojiang Junjing Equity Investment Partnership (Limited Partnership)\* (麗水博將珺璟股權投資合夥企業(有限合夥)), Lishui Bojiang Dingsheng No. 17 Equity Investment Partnership (Limited Partnership)\* (麗水博將鼎生十七號股權投資合夥企業(有限合夥)).

Partnership)\* (麗水博將鼎昇十七號股權投資合夥企業(有限合夥)), Gao Hejian (高賀健), Zhao Dandan (趙丹丹), Wushuang (吳爽), Chongqing Chengyu Tuanjie Lake Strategic Emerging Industry Private Equity Investment Fund Partnership (Limited Partnership)\* (重慶市成渝團結湖戰略性新興產業私募股權投資基金合夥企業(有限合夥)), Chengdu Wutongshu Innovation Venture Capital Partnership (Limited Partnership)\* (成都梧桐樹創新創業投資合夥企業(有限合夥)), Chengdu Wufa Technology Innovation Investment Co., Ltd.\* (成都武發科技創新投資有限公司), Chengdu Tongchuang Zhixing Enterprise Management Consulting Partnership (Limited Partnership)\* (成都同創知行企業管理諮詢合夥企業(有限合夥)), Chongqing Jiangjin District Private Equity Investment Fund Partnership (Limited Partnership)\* (重慶市江津區私募股權投資基金合夥企業(有限合夥)), Jiaxing Jiuqian Venture Capital Partnership (Limited Partnership)\* (嘉興九乾創業投資合夥企業(有限合夥)) and Chengdu Peikun No. 3 Equity Investment Partnership (Limited Partnership)\* (成都沛坤叁號股權投資合夥企業(有限合夥)), pursuant to which Chengdu Peikun No. 3 Equity Investment Partnership (Limited Partnership)\* (成都沛坤叁號股權投資合夥企業(有限合夥)) agreed to subscribe 320,000 Shares at a consideration of RMB20,000,000;

(c) the Hong Kong Underwriting Agreement.


## 2. Intellectual property rights

Save as disclosed below, as of the Latest Practicable Date, there are no other intellectual property rights which are or may be material in relation to our business.

### (a) Trademarks

#### (i) Registered trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material or may be material to our business:

No.	Trademark	Registration number	Owner	Date of registration	Place of registration
1. . . .	<b>NBK</b>	23628014	Our Company	July 28, 2018	PRC
2. . . .	<b>NBK</b>	71417926	Our Company	December 14, 2023	PRC
3. . . .	<b>NBK</b>	71420684	Our Company	December 14, 2023	PRC
4. . . .		24151140	Our Company	July 28, 2018	PRC

No.	Trademark	Registration number	Owner	Date of registration	Place of registration
5. . . .	诺比侃	25694087	Our Company	August 21, 2018	PRC
6. . . .	诺比侃	71412820	Our Company	December 14, 2023	PRC
7. . . .	诺比侃	71415293	Our Company	December 14, 2023	PRC
8. . . .	诺比侃	71417917	Our Company	December 14, 2023	PRC
9. . . .	诺比侃	71420353	Our Company	December 14, 2023	PRC
10. . .	诺比侃	71420453	Our Company	December 14, 2023	PRC
11. . .	诺比侃	71420633	Our Company	December 14, 2023	PRC
12. . .	诺比侃	71428213	Our Company	December 14, 2023	PRC
13. . .	诺比侃	71438669	Our Company	December 14, 2023	PRC
14. . .	诺比侃	71441462	Our Company	December 14, 2023	PRC
15. . .	诺比侃	71442973	Our Company	December 14, 2023	PRC
16. . .		28691368	Zhonggui Railway	March 14, 2019	PRC
17. . .		28711243	Zhonggui Railway	December 14, 2018	PRC
18. . .		28711258	Zhonggui Railway	March 14, 2019	PRC
19. . .		306653539	Our Company	August 29, 2024	Hong Kong

**(b) Patents***(i) Registered patents*

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to our business:

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
1.	A portable measuring device with angle measurement function for railway use (一種鐵路用具有角度測量功能的便於攜帶的測量裝置)	Invention	2019100518738	Our Company	January 21, 2019	PRC
2.	A portable measuring device with anti-fall function for railway construction use (一種鐵路施工用具有防摔功能便於攜帶的測量裝置)	Invention	2019100558186	Our Company	January 22, 2019	PRC
3.	Smart monitoring and early warning system and method for slope pre-stressed anchor based on cloud platform (基於雲平台的邊坡預應力錨桿智能化監測預警系統及方法)	Invention	2020112068301	Our Company	November 3, 2020	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
4.	An electromagnetic radiation data monitoring and analysis method and system (一種電磁輻射數據監控分析方法及系統)	Invention	2021110958426	Our Company	September 18, 2021	PRC
5.	Wireless communication method, system and substation environment monitoring system using the system (無線通信方法、系統以及使用該系統的變電站環境監控系統)	Invention	2021111842978	Our Company	October 12, 2021	PRC
6.	A satellite downlink signal processing method and system (一種衛星下行信號處理方法及系統)	Invention	2021112933512	Our Company	November 3, 2021	PRC
7.	An adaptive security method and system for substations based on machine vision (一種基於機器視覺的變電站自適應安防方法及系統)	Invention	202210228357X	Our Company	March 10, 2022	PRC
8.	A substation monitoring method and system based on multi-dimensional video (一種基於多維視頻的變電站監控方法及系統)	Invention	2022102916233	Our Company	March 24, 2022	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
9. . .	A smart detection method for substation equipment (一種變電站設備智能檢測方法)	Invention	2022112765047	Our Company	October 19, 2022	PRC
10. . .	A big data-based catenary damage inspection defect data management method and system (一種基於大數據的接觸網驗損缺陷數據管理方法及系統)	Invention	202211298971X	Our Company	October 24, 2022	PRC
11. . .	A neural network-based catenary defect inspection method and system (一種基於神經網絡的接觸網缺陷驗損方法及系統)	Invention	2022114173142	Our Company	November 14, 2022	PRC
12. . .	A computer vision based catenary defect target enhancement method (一種基於計算機視覺的接觸網缺陷目標增強方法)	Invention	2022114873949	Our Company	November 25, 2022	PRC
13. . .	A digital modeling and smart detection method for power secondary equipment (一種電力二次設備數字建模及智能檢測方法)	Invention	2023100005998	Our Company	January 3, 2023	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
14. . .	A visual recognition-based damage inspection method for small parts of catenary (一種基於視覺識別的接觸網微小部件驗損方法)	Invention	2023100148281	Our Company	January 6, 2023	PRC
15. . .	A method for detecting and analyzing catenary clue damage data (一種接觸網線索損傷數據檢測分析方法)	Invention	2023100768250	Our Company	February 8, 2023	PRC
16. . .	A multi-modal industrial defect analysis method and system based on deep learning (一種基於深度學習的多模態工業缺陷分析方法及系統)	Invention	2023112971119	Our Company	October 9, 2023	PRC
17. . .	A method and system for determining coil displacement based on feature detection (一種基於特徵檢測的卷鋼移位判斷方法及系統)	Invention	2023113797694	Our Company	October 24, 2023	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
18. . .	Smart inspection control method and system based on machine vision (基於機器視覺的智能巡檢控制方法及系統)	Invention	2023114658025	Our Company	November 7, 2023	PRC
19. . .	An outdoor moving target detection system in rainy and snowy weather (一種雨雪天氣下的室外運動目標檢測系統)	Invention	2023114742631	Our Company	November 8, 2023	PRC
20. . .	A defect detection method based on semi-self-supervised feature matching (一種基於半自監督特徵匹配缺陷檢測方法)	Invention	2023115966201	Our Company	November 28, 2023	PRC
21. . .	A smart detection method for the phenomenon of contact network cable clips coming out of grooves (一種對接觸網線夾脫槽現象的智能檢測方法)	Invention	2024105455670	Our Company	May 6, 2024	PRC



No.	Patent	Class	Patent number	Owner	Application date	Place of registration
22. . .	Classification detection method of high-speed railway contact network suspension cord defects through deep learning method (通過深度 學習方法對高鐵接 觸網吊弦缺陷分級 檢測的方法)	Invention	2024106382272	Our Company	May 22, 2024	PRC
23. . .	A smart detection method for hard bending of contact line of contact network (一種接觸網接觸 線硬彎的智能檢測 方法)	Invention	2024108232496	Our Company	June 25, 2024	PRC
24. . .	A fast iteration method for smart detection model of catenary defects (一種接觸 網缺陷智能檢測模 型的快速迭代方 法)	Invention	2024109880208	Our Company	July 23, 2024	PRC
25. . .	An image processing method based on distributed system (一種基於分佈式 系統的圖像處理方 法)	Invention	2020106709572	Zhonggui Railway	July 13, 2020	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
26. . .	A system and method for autonomously identifying and positioning the content of track signboards (一種自主識別定位軌道標識牌內容的系統和方法)	Invention	2020107021184	Zhonggui Railway	July 21, 2020	PRC
27. . .	A data processing method for improving data security (一種用於提升數據安全性的數據處理方法)	Invention	2020108178597	Zhonggui Railway	August 14, 2020	PRC
28. . .	A method of parts classification based on image recognition (一種基於圖像識別的零件分類方法)	Invention	2020108252171	Zhonggui Railway	August 17, 2020	PRC
29. . .	A railway GIS map data processing method (一種鐵路GIS地圖數據處理方法)	Invention	2020111455970	Zhonggui Railway	October 23, 2020	PRC
30. . .	A smart detection system and method for catenary suspension devices (一種接觸網懸掛裝置智能檢測系統及方法)	Invention	2020112533731	Zhonggui Railway	November 11, 2020	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
31. . .	A smart monitoring and forewarning system and method for railway gauge (一種鐵路軌距尺智能化監測預警系統及方法)	Invention	2020112196117	Zhonggui Railway	November 5, 2020	PRC
32. . .	A railway high-precision map data processing method and system (一種鐵路高精度地圖數據處理方法及系統)	Invention	2018113388051	Zhonggui Railway	November 12, 2018	PRC
33. . .	An image fusion method for improving image definition (一種用於提升圖像清晰度的圖像融合方法)	Invention	2020114628469	Zhonggui Railway	December 14, 2020	PRC
34. . .	A natural disaster forewarning system and forewarning method (一種自然災害預警系統及預警方法)	Invention	202110439371X	Zhonggui Railway	April 23, 2021	PRC
35. . .	A self-propelled rust removal and grinding device with dust removal function for track maintenance (一種軌道維護用具有除塵功能的自走式除銹打磨裝置)	Invention	2019100251623	Zhonggui Railway	January 11, 2019	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
36. . .	A rail straightening equipment with stability and convenience for moving for railway (一種鐵路用具有穩定性便於移動的鐵軌調直設備)	Invention	2019100336782	Zhonggui Railway	January 15, 2019	PRC
37. . .	A mobile rail rust removal device for railway maintenance that can work in multiple directions (一種鐵路維護用可多方位工作的移動式鐵軌除銹裝置)	Invention	2019100296408	Zhonggui Railway	January 14, 2019	PRC
38. . .	A foreign object identification method and system based on catenary safety inspection (一種基於接觸網安全巡檢的異物識別方法及系統)	Invention	2021115672425	Zhonggui Railway	December 21, 2021	PRC
39. . .	A pole number plate identification method and system based on catenary safety inspection (一種基於接觸網安全巡檢的桿號牌識別方法及系統)	Invention	2022102555324	Zhonggui Railway	March 15, 2022	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
40. . .	A video analysis method and system based on FPGA (一種基於FPGA的視頻分析方法及系統)	Invention	2022111217115	Zhonggui Railway	September 15, 2022	PRC
41. . .	Method and system for transmitting images of catenary suspension condition monitoring (接觸網懸掛狀態監測圖像的傳輸方法及系統)	Invention	2022111812962	Zhonggui Railway	September 27, 2022	PRC
42. . .	Catenary suspension status monitoring method and system based on image recognition (基於圖像識別的接觸網懸掛狀態監測方法及系統)	Invention	202211194475X	Zhonggui Railway	September 29, 2022	PRC
43. . .	A method for positioning and identifying track number plates (一種軌道標號牌定位識別方法)	Invention	2021104616775	Zhonggui Railway	April 27, 2021	PRC
44. . .	A dynamic adaptive distributed collaborative working method for remote sensing big data (一種面向遙感大數據的動態自適應分佈式協同工作方法)	Invention	2022116878010	Zhonggui Railway	December 28, 2022	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
45. . .	A smart data management platform, construction method and application based on multi-dimensional engine (一種基於多維引擎的智能數據管理平台、搭建方法及應用)	Invention	2023100052984	Zhonggui Railway	January 4, 2023	PRC
46. . .	A smart city management method and system based on digital twin (一種基於數字孿生的智慧城市管理方法及系統)	Invention	2023101008936	Zhonggui Railway	February 13, 2023	PRC
47. . .	An image processing method for catenary anomaly detection (一種用於接觸網異常檢測的圖像處理方法)	Invention	2020106955280	Zhonggui Railway	July 20, 2020	PRC
48. . .	A task classification processing method based on big data processing framework (一種基於大數據處理框架的任務分類處理方法)	Invention	2023100053101	Zhonggui Railway	January 4, 2023	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
49. . .	A cross-industry universal smart machine vision perception method (跨行業通用的智能機器視覺感知方法)	Invention	2023110495739	Zhonggui Railway	August 21, 2023	PRC
50. . .	A big data processing method based on stereoscopic content (一種基於立體內容的大數據處理方法)	Invention	2022117361497	Zhonggui Railway	December 30, 2022	PRC
51. . .	An image-based real-time ranging method and system for targets (一種基於圖像的目標物實時測距方法及系統)	Invention	2023111902060	Zhonggui Railway	September 15, 2023	PRC
52. . .	A smart terminal and method for constructing a virtual panoramic scene space (一種用於構建虛擬全景場景空間的智能終端及方法)	Invention	2023112069257	Zhonggui Railway	September 19, 2023	PRC
53. . .	A smart coupling early warning method for big data decision-making (一種大數據決策的智能耦合預警方法)	Invention	2023112070593	Zhonggui Railway	September 19, 2023	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
54. . .	A method for measuring catenary geometric parameters based on binocular machine vision (一種基於雙目機器視覺的接觸網幾何參數測量方法)	Invention	2023113014923	Zhonggui Railway	October 10, 2023	PRC
55. . .	A text recognition method and system based on natural language semantic analysis (一種基於自然語言語義分析的文本識別方法及系統)	Invention	2023112837618	Zhonggui Railway	October 7, 2023	PRC
56. . .	Smart unmanned inspection catenary defect identification system (智能化無人巡檢接觸網缺陷識別系統)	Invention	2023114660538	Zhonggui Railway	November 7, 2023	PRC
57. . .	Self-adjusting AI camera system for low-light brightness capture (低照度亮清採集的自動調節AI相機系統)	Invention	2023114862239	Zhonggui Railway	November 9, 2023	PRC
58. . .	Infrared damage inspection system for insulators based on image processing (基於圖像處理的絕緣子紅外驗損系統)	Invention	2023114543534	Zhonggui Railway	November 3, 2023	PRC



No.	Patent	Class	Patent number	Owner	Application date	Place of registration
59. . .	A catenary safety inspection system adapting to different scenarios (一種適應不同場景的接觸網安全巡檢系統)	Invention	2024101566867	Zhonggui Railway	February 4, 2024	PRC
60. . .	A low-light image processing method and system based on image enhancement (一種基於圖像增強的低光度圖像處理方法及系統)	Invention	2024109056608	Zhonggui Railway	July 8, 2024	PRC
61. . .	High-precision binocular visual distance measurement method (高精度雙目視覺測距方法)	Invention	2024109261674	Zhonggui Railway	July 11, 2024	PRC
62. . .	A method and system for contact wire wear detection based on camera tracking (一種基於拍攝跟蹤的接觸線磨損檢測方法及系統)	Invention	2024109289909	Zhonggui Railway	July 11, 2024	PRC
63. . .	A method for ensuring safety operation of trains (一種列車行車安全保障方法)	Invention	2024115522277	Our Company	November 1, 2024	PRC
64. . .	Portable visual docking guidance system (便攜式目視停靠引導系統)	Invention	2025110957099	Zhonggui Railway	August 6, 2025	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
65. . .	The comprehensive intelligent inspection trolley for catenary 1C and 4C (接觸網 1C和4C綜合智能巡檢小車)	Invention	2025112418238	Zhonggui Railway	September 2, 2025	PRC
66. . .	A method for quick viewing of 4K images with dual eyes (雙目4K圖片快速瀏覽方法)	Invention	2025113013328	Zhonggui Railway	September 12, 2025	PRC
67. . .	Railway track distance measuring instrument (鐵路軌道軌距測量儀)	Utility model	2017217842275	Our Company	December 20, 2017	PRC
68. . .	Portable monitoring system device for railway track fixed section construction (鐵路軌道定段施工便攜監防系統裝置)	Utility model	2017217831270	Our Company	December 19, 2017	PRC
69. . .	A portable smart digital display gauge (一種方便攜帶的智能數顯軌距尺)	Utility model	2019204555708	Our Company	April 4, 2019	PRC
70. . .	A rail gauge with a plastic rail block inlaid metal insert structure (一種塑膠搭軌塊鑲嵌金屬嵌件結構的軌距尺)	Utility model	2019207871891	Our Company	May 29, 2019	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
71. . .	An on-site operation safety control device with alarm function (一種具有警報功能的現場作業安全控制裝置)	Utility model	201920455055X	Our Company	April 4, 2019	PRC
72. . .	A gauge ruler for measuring the geometric state of high-speed railway tracks (一種用於高鐵軌道幾何狀態測量軌距尺)	Utility model	2019216495106	Our Company	September 30, 2019	PRC
73. . .	A high-precision measuring device for high-speed railway track gauge (一種高鐵軌道軌距用高精度測量裝置)	Utility model	2019216495093	Our Company	September 30, 2019	PRC
74. . .	A solar panel mounting structure for railways that is resistant to bad weather (一種可抗拒惡劣天氣的鐵路用太陽能電池板安裝結構)	Utility model	2020210928440	Our Company	June 12, 2020	PRC
75. . .	A railway solar panel structure capable of adjusting the angle according to the illuminance (一種能夠根據光照度調節角度的鐵路用太陽能電池板結構)	Utility model	2020210897438	Our Company	June 12, 2020	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
76. . .	A smart anchor cable component (一種智能錨桿錨索構件)	Utility model	2020225100512	Our Company	November 3, 2020	PRC
77. . .	A railway safety monitoring device with waterproof function (一種具有防水功能的鐵路安全用監控裝置)	Utility model	2019204550530	Zhonggui Railway	April 4, 2019	PRC
78. . .	A smart digital display gauge ruler capable of non-destructive pulling (一種能夠進行無損拉動的智能數顯軌距尺)	Utility model	2019204550390	Zhonggui Railway	April 4, 2019	PRC
79. . .	A detachable smart digital display gauge with high wear resistance (一種可拆式高耐磨智能數顯軌距尺)	Utility model	2019204550386	Zhonggui Railway	April 4, 2019	PRC
80. . .	A catenary suspension inspection device (一種接觸網懸掛巡檢裝置)	Utility model	2020225977384	Zhonggui Railway	November 11, 2020	PRC
81. . .	A device for collecting points based on GIS map (一種基於GIS地圖採點裝置)	Utility model	2020223841074	Zhonggui Railway	October 23, 2020	PRC
82. . .	A device for detecting catenary suspension status (一種接觸網懸掛狀態檢測裝置)	Utility model	2022221983690	Zhonggui Railway	August 19, 2022	PRC

No.	Patent	Class	Patent number	Owner	Application date	Place of registration
83. . .	A contact network safety inspection and collection equipment (一種接觸網安全巡檢採集設備)	Utility model	2023222391276	Zhonggui Railway	August 21, 2023	PRC
84. . .	A precision intelligent inspection trolley for detecting catenary suspension status (一種接觸網懸掛狀態精密智能巡檢小車)	Utility model	2024221812450	Our Company	September 5, 2024	PRC
85. . .	Smart digital display rail gauge (智能數顯軌矩尺)	Design	2019301524826	Our Company	April 4, 2019	PRC

**(c) Domain names**

As of the Latest Practicable Date, we have registered the following domain name which we consider to be material to our business:

No.	Domain name	Registered owner	Date of registration	Expiry date
1. . .	nuobikan.com	our Company	May 30, 2016	May 30, 2026

*(d) Copyrights*

As of the Latest Practicable Date, we have registered the following copyrights which we are consider to be material to our business:

*(i) Software copyrights*

No.	Copyright	Owner	Registration number	Place of registration	Registration date
1.	High speed railway on-site file sharing management software (高鐵現場檔共用管理軟件)	Our Company	2017SR374672	PRC	July 17, 2017
2.	NBK Smart railway construction intelligent protection system monitoring software (NBK Smart鐵路施工智能防護系統監控軟件)	Our Company	2017SR586353	PRC	October 25, 2017
3.	Image recognition system based on feature trees and correlation measures (基於特徵樹和關聯度量的圖像識別系統)	Our Company	2018SR563709	PRC	July 18, 2018
4.	Image processing information management system (圖像處理信息管理系統)	Our Company	2018SR563662	PRC	July 18, 2018
5.	Remote Safety Monitoring System for Railway Construction based on IoT (基於物聯網的鐵路施工遠程安全監測系統)	Our Company	2018SR563508	PRC	July 18, 2018
6.	Image Recognition System Based on Neural Network (基於神經網絡的圖像識別系統)	Our Company	2018SR563703	PRC	July 18, 2018

No.	Copyright	Owner	Registration number	Place of registration	Registration date
7. . .	Neural Network-based Image Self-Learning System (基於神經網絡的圖像自我學習系統)	Our Company	2018SR563791	PRC	July 18, 2018
8. . .	Railway engineering construction IoT power supply safety monitoring system (鐵路工程施工物聯網供電安全監測系統)	Our Company	2018SR563497	PRC	July 18, 2018
9. . .	Digital image recognition processing system (基於數字化的圖像識別處理系統)	Our Company	2018SR563642	PRC	July 18, 2018
10. . .	IoT railway construction safety monitoring information system (物聯網鐵路施工安全監測信息系統)	Our Company	2018SR563536	PRC	July 18, 2018
11. . .	Railway construction monitoring system based on IoT technology (基於物聯網技術的鐵路施工監控系統)	Our Company	2018SR563549	PRC	July 18, 2018
12. . .	Railway construction safety monitoring IoT integrated system (鐵路施工安全監測物聯網一體化系統)	Our Company	2018SR563541	PRC	July 18, 2018
13. . .	Digital image analysis and processing system (數字圖像分析處理系統)	Our Company	2018SR563688	PRC	July 18, 2018
14. . .	Image recognition management system based on distributed technology (基於分佈式技術的圖像識別管理系統)	Our Company	2018SR563696	PRC	July 18, 2018

No.	Copyright	Owner	Registration number	Place of registration	Registration date
15. . .	Railway construction safety monitoring system based on IoT technology (基於物聯網技術鐵路施工安全監測系統)	Our Company	2018SR586188	PRC	July 26, 2018
16. . .	Neural network-based AI in an automatic identification system for high-speed railway contact network diseases (基於神經網絡的人工智能在高鐵接觸網病害自動識別系統)	Our Company	2018SR983338	PRC	December 6, 2018
17. . .	Safe operation control system (安全作業控制系統)	Our Company	2018SR983345	PRC	December 6, 2018
18. . .	Smart Anchor Zhihua Safety Monitoring and Inspection System (智能錨桿志華安全監控檢測系統)	Our Company	2020SR1563039	PRC	November 10, 2020
19. . .	Intelligent catenary checking (接觸網懸掛狀態缺陷智能識別系統)	Our Company	2022SR0907785	PRC	July 7, 2022
20. . .	Surveillance video intelligent smart system (監控視頻智能分析系統)	Our Company	2022SR1345334	PRC	September 6, 2022
21. . .	Catenary Safety Inspection and Identification System (接觸網安全巡檢識別系統)	Our Company	2022SR1369810	PRC	September 22, 2022
22. . .	NBK industry application platform (NBK行業應用平台)	Our Company	2022SR1369812	PRC	September 22, 2022



No.	Copyright	Owner	Registration number	Place of registration	Registration date
23. . .	Truck operating status smart detection system (貨車運行狀態智能檢測系統)	Our Company	2022SR1379037	PRC	September 28, 2022
24. . .	AI Capability Platform Software (AI能力平台軟件)	Our Company	2022SR1386489	PRC	September 30, 2022
25. . .	Smart AI monitoring platform (智能AI監控平台)	Our Company	2022SR1386490	PRC	September 30, 2022
26. . .	Smart AI operation and maintenance platform (智能AI運維平台)	Our Company	2022SR1405790	PRC	October 24, 2022
27. . .	Smart AI operation and maintenance platform (IT運行支撐資源庫平台)	Our Company	2022SR1406189	PRC	October 24, 2022
28. . .	Smart AI operation and maintenance big data platform (智能AI運維大數據平台)	Our Company	2022SR1406161	PRC	October 24, 2022
29. . .	AI operation and maintenance big data analysis software (AI運維大數據分析軟件)	Our Company	2022SR1431687	PRC	October 28, 2022
30. . .	Smart equipment monitoring and management system (智能設備監控管理系統)	Our Company	2023SR0247148	PRC	February 15, 2023
31. . .	Digital display smart track measuring system (數顯智能道尺測量系統)	Our Company	2023SR0267958	PRC	February 21, 2023
32. . .	High-speed railway intelligent compaction process data analysis system (高速鐵路智能化壓實工藝數據分析系統)	Our Company	2023SR0293289	PRC	March 2, 2023

No.	Copyright	Owner	Registration number	Place of registration	Registration date
33. . .	Environmental noise impact test and assessment system for high-speed railway sites (高速鐵路沿線場地環境噪聲影響測試評估系統)	Our Company	2023SR0293290	PRC	March 2, 2023
34. . .	Smart damage inspection system for power inspection (電力巡檢智能驗損系統)	Our Company	2023SR0415948	PRC	March 30, 2023
35. . .	Railway construction equipment management information system (軌道施工設備管理信息系統)	Zhonggui Railway	2018SR466858	PRC	June 21, 2018
36. . .	Track beam surface crack and defect detection system (軌道梁表面裂紋及缺陷檢測系統)	Zhonggui Railway	2018SR467098	PRC	June 21, 2018
37. . .	Integrated management system for track measurement equipment (軌道測量設備一體化管理系統)	Zhonggui Railway	2018SR467091	PRC	June 21, 2018
38. . .	Railway engineering precision control network measurement data processing system (鐵路工程精密控制網測量數據處理系統)	Zhonggui Railway	2018SR467771	PRC	June 21, 2018
39. . .	Orbital measurement technology data processing system (軌道測量技術數據處理系統)	Zhonggui Railway	2018SR467077	PRC	June 21, 2018

No.	Copyright	Owner	Registration number	Place of registration	Registration date
40. . .	Track construction equipment information management system (軌道施工設備信息化管理系統)	Zhonggui Railway	2018SR466879	PRC	June 21, 2018
41. . .	Construction measurement system for slab ballastless track (板式無砟軌道施工測量系統)	Zhonggui Railway	2018SR468994	PRC	June 21, 2018
42. . .	Track construction inspection and measurement system (軌道施工檢測測量系統)	Zhonggui Railway	2018SR466865	PRC	June 21, 2018
43. . .	Ballastless track construction measurement control network processing system (無砟軌道施工測量控制網處理系統)	Zhonggui Railway	2018SR467550	PRC	June 21, 2018
44. . .	Track geometry measuring instrument data analysis software (軌道幾何狀態測量儀數據分析軟件)	Zhonggui Railway	2018SR467084	PRC	June 21, 2018
45. . .	Smart loss inspection system (智能驗損系統)	Zhonggui Railway	2018SR982983	PRC	December 6, 2018
46. . .	Zhonggui safety operation control system (中軌安全作業控制系統)	Zhonggui Railway	2019SR0136727	PRC	February 13, 2019
47. . .	Smart track gauge measuring software (智能軌距尺測量軟件)	Zhonggui Railway	2019SR0302107	PRC	April 3, 2019
48. . .	Smart detection data communication system for roadbed compaction (路基壓實智能檢測數據通信系統)	Zhonggui Railway	2020SR0103964	PRC	January 20, 2020

No.	Copyright	Owner	Registration number	Place of registration	Registration date
49. . .	Intelligent detection and vibration data collection system for roadbed compaction (路基壓實智能檢測震動數據採集系統)	Zhonggui Railway	2020SR0102740	PRC	January 20, 2020
50. . .	Simple 4C integrated smart control software (簡易4C一體化智能控制軟件)	Zhonggui Railway	2020SR1574311	PRC	November 12, 2020
51. . .	GIS location map-assisted location management system (GIS定位地圖輔助定位管理系統)	Zhonggui Railway	2020SR1573386	PRC	November 12, 2020
52. . .	Smart video digital alarm control software (智能視頻數字化報警控制軟件)	Zhonggui Railway	2020SR1574488	PRC	November 12, 2020
53. . .	Zhonggui industry application platform (中軌行業應用平台)	Zhonggui Railway	2023SR0008876	PRC	January 4, 2023
54. . .	Smart integrated management platform software (智慧綜合管理平台軟件)	Zhonggui Railway	2023SR0240962	PRC	February 14, 2023
55. . .	Digital twin visualization management platform software (數字孿生可視化管理平台軟件)	Zhonggui Railway	2023SR0241031	PRC	February 14, 2023

### C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

#### 1. Disclosure of interests

Immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised), the interests or short positions of our Directors, Supervisors and chief executives in our Shares, underlying shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, will be as follows:

Name	Positions	Nature of Interest	As of the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)			
			Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the issued share capital of our Company <sup>(2)</sup>	Number of Shares <sup>(1)</sup>	Description of Shares	Approximate percentage of shareholding in the Unlisted Shares/ H Shares <sup>(3)</sup>	Approximate percentage of shareholding in the total issued share capital of our Company <sup>(3)</sup>
Mr. Liao . . .	Chairman	Beneficial	17,427,967	51.1%	4,470,016	Unlisted	60.1%	11.8%
	and executive Director	owner; interest in controlled corporations <sup>(4)</sup> ; interest held jointly with another person <sup>(5)</sup>			12,957,951	H Shares	42.6%	34.2%
Tang Taike . .	Executive	Beneficial	17,427,967	51.1%	4,470,016	Unlisted	60.1%	11.8%
	Director and chief technology officer	owner; interest held jointly with another person <sup>(6)</sup>			12,957,951	H Shares	42.6%	34.2%

Name	Positions	Nature of Interest	As of the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)			
			Number of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the issued share capital of our Company <sup>(2)</sup>	Number of Shares <sup>(1)</sup>	Description of Shares	Approximate percentage of shareholding in the Unlisted Shares/ H Shares <sup>(3)</sup>	Approximate percentage of shareholding in the total issued share capital of our Company <sup>(3)</sup>
Lin Renhui . .	Chairman of Supervisory Committee and research and development director	Beneficial owner; interest held jointly with another person <sup>(7)</sup>	17,427,967	51.1%	4,470,016	Unlisted Shares	60.1%	11.8%
					12,957,951	H Shares	42.6%	34.2%

*Notes:*

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 34,080,000 Shares in issue as of the Latest Practicable Date.
- (3) The calculation is based on the total number of 37,866,600 Shares (consisting of 7,432,022 Unlisted Shares and 30,434,578 H Shares) in issue immediately after the completion of the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Over-allotment Option).
- (4) As of the Latest Practicable Date, Mr. Liao acts as the general partner of Tieké Chuangzhi (holding 2,281,459 Shares) and Tieké Intelligent (holding 633,726 Shares). Accordingly, Mr. Liao is deemed to be interested in such number of Shares held by Tieké Chuangzhi and Tieké Intelligent under the SFO.
- (5) As of the Latest Practicable Date, Mr. Liao is deemed to be interested in 6,252,928 Shares as a result of being a party acting-in-concert with Tang Taike, Lin Renhui, Su Maocai, Tieké Chuangzhi and Tieké Intelligent pursuant to the Concert Party Agreements.
- (6) As of the Latest Practicable Date, the Shares in which Tang Taike is interested consist of (i) 1,112,581 Shares held by him in his own capacity; and (ii) 16,315,386 Shares in which Tang Taike is deemed to be interested as a result of being a party acting-in-concert with Mr. Liao, Lin Renhui, Su Maocai, Tieké Chuangzhi and Tieké Intelligent pursuant to the Concert Party Agreements.
- (7) As of the Latest Practicable Date, the Shares in which Lin Renhui is interested consist of (i) 1,112,581 Shares held by him in his own capacity; and (ii) 16,315,386 Shares in which Lin Renhui is deemed to be interested as a result of being a party acting-in-concert with Mr. Liao, Tang Taike, Su Maocai, Tieké Chuangzhi and Tieké Intelligent pursuant to the Concert Party Agreements.

**2. Interests of the substantial Shareholders**

For information on the persons who will, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), having or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, see the section headed “Substantial Shareholders” in this prospectus.

**3. Particulars of service contracts and letters of appointment**

We have entered into a service contract or a letter of appointment with each of our Directors and Supervisors in respect of, among other things, compliance with relevant laws and regulations and the Articles of Association.

The principal terms of these service contracts and letters of appointment comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to the Shareholders’ approval.

Save as disclosed above, none of our Directors and Supervisors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

**4. Remuneration of Directors and Supervisors**

Save as disclosed in the sections headed “Directors, Supervisors and Senior Management” and “Appendix I — Accountants’ Report — II. Notes to the historical financial information — 8. Directors’, Chief Executive’s and Supervisors’ Remuneration”, for the financial years ended December 31, 2022, 2023 and 2024, and the six months ended June 30, 2025, none of our Directors or Supervisors received other remunerations of benefits in kind from us.

**5. Disclaimers**

- (a) Save as disclosed in the section headed “History, Development and Corporate Structure,” none of the Directors nor any of the experts referred to in “— D. Other information — 6. Qualification of experts” below in this appendix 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.

- (b) Save in connection with the Underwriting Agreements, none of the Directors nor any of the experts referred to in “— D. Other information — 6. Qualification of experts” below in this appendix, 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) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this prospectus to any promoter of our Company nor is any such cash securities or benefit intended to be paid, allotted or given on the basis of the Global Offering or related transactions as mentioned.
- (d) Save as disclosed in this prospectus, none of our Directors or their close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group in each year or period of the Track Record Period.

## **D. OTHER INFORMATION**

### **1. Estate duty**

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any member of our Group.

### **2. Litigation**

Saved for disclosed in “Business — Legal Proceedings and Compliance” in this prospectus, as of the Latest Practicable Date, and so far as our Directors are aware, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is 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 behalf of our Company to the Listing Committee for listing of, and permission to deal in, the H Shares of our Company. All necessary arrangements have been made enabling 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.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of US\$1,000,000 to act as the sponsor of our Company in connection with the proposed listing on the Hong Kong Stock Exchange.



**4. Bilingual prospectus**

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

**5. Binding effect**

This prospectus shall have effect, if an application is made pursuant of it, 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.

**6. Qualification of experts**

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this prospectus are as follows:

Name	Qualifications
China International Capital Corporation Hong Kong Securities Limited . . . . .	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Beijing DeHeng Law Offices . . .	Legal advisor to our Company as to PRC laws
DeHeng Shanghai Law Office . .	Legal advisor to our Company as to PRC data compliance
DLA Piper Singapore Pte. Ltd. .	Legal advisor to our Company as to U.S. export control and U.S. foreign investment laws
Ernst & Young . . . . .	Certified Public Accountants and Registered Public Interest Entity Auditor
China Insights Industry Consultancy Limited . . . . .	Independent industry consultant

**7. Consent of experts**

Each of the experts as referred to in “— D. Other information — 6. Qualification of experts” above in this appendix has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or legal opinion (as the case may be) and references to their names included in the form and context in which it respectively appears.

**8. Compliance Advisor**

We have appointed Altus Capital Limited as our compliance advisor upon the Listing in compliance with Rule 3A.19 of the Listing Rules.

**9. Taxation of holders of H Shares*****(1) Hong Kong***

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. 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 the H Shares being sold or transferred.

***(2) Consultation with professional advisers***

Potential investors in the Global Offering are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Sole Sponsor, the Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

**10. No material adverse change**

Our Directors confirm that, save as disclosed in this prospectus, there has been no material adverse change in the financial or trading position or prospects of our Group since June 30, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

**11. Promoters**

The promoters of our Company are:

No.	Name
1 . . .	Mr. Liao
2 . . .	Zhang Xiaojun
3 . . .	Lin Renhui
4 . . .	Zheng Sanzhong
5 . . .	Tang Taike
6 . . .	Su Maocai
7 . . .	Li Peng
8 . . .	Tieke Chuangzhi
9 . . .	Tieke Intelligent
10 . .	Bojiang Furui
11 . .	Bojiang Chuangfu
12 . .	Fan Zhihe
13 . .	Wei Wenyan
14 . .	Bojiang Xingyi
15 . .	Bojiang Tech Innovation
16 . .	Pufeng Investment
17 . .	Bojiang Yueheng
18 . .	Yayi Innovation Investment
19 . .	Wangzhong Mingxin

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the Global Offering or the related transactions described in this prospectus.

**12. Preliminary Expenses**

Our Company did not incur any material preliminary expenses.

**13. Miscellaneous**

Save as disclosed in this prospectus:

- (a) within the two years preceding the date of this prospectus, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any Shares of our Company;

- (b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived;
- (f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (g) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (i) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought;
- (j) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (k) our Company has adopted a code of conduct regarding Directors' and Supervisors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

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## **APPENDIX VII      DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY**

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### **A.    DOCUMENTS DELIVERED TO THE REGISTER 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 — D. Other information — 7. Consent of experts” in this prospectus; and

### **B.    DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company’s website at [www.nuobikan.com](http://www.nuobikan.com) up to and including the date which is 14 days from the date of this prospectus:

- (a) the Articles of Association;
- (b) the Accountants’ Report from Ernst & Young, the text of which is set out in Appendix I to this prospectus;
- (c) the audited consolidated financial statements of our Group for the three financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025;
- (d) the report on unaudited pro forma financial information of our Group from Ernst & Young, the text of which is set out in Appendix II to this prospectus;
- (e) 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;
- (f) the service contracts and letters of appointment referred to in “Appendix VI — Statutory and General Information — C. Further Information about our Directors, Supervisors, senior management and substantial Shareholders — 3. Particulars of service contracts and letters of appointment” in this prospectus;
- (g) the written consents referred to in “Appendix VI — Statutory and General Information — D. Other information — 7. Consent of experts” in this prospectus;

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<b>APPENDIX VII</b>	<b>DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY</b>
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- (h) the PRC legal opinion issued by Beijing DeHeng Law Offices, our PRC Legal Advisor, in respect of certain general corporate matters and property interests in the PRC of our Group;
- (i) the legal memorandum issued by DLA Piper Singapore Pte. Ltd., our legal advisor as to U.S. export control and U.S. foreign investment laws, in respect of certain matters relating to U.S. export control of our Group;
- (j) the legal memorandum issued by DLA Piper Singapore Pte. Ltd., our legal advisor as to U.S. export control and U.S. foreign investment laws, in respect of certain matters relating to U.S. foreign investment laws of our Group;
- (k) the legal memorandum issued by DeHeng Shanghai Law Office, the legal advisor to our Company as to PRC data compliance, in respect of PRC data compliance matters;
- (l) the industry report prepared by China Insights Industry Consultancy Limited; and
- (m) the PRC Company Law, the PRC Securities Law, and the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.

諾比侃人工智能科技（成都）股份有限公司

Nuobikan Artificial Intelligence Technology (Chengdu) Co., Ltd.